

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

REQUEST TV (NEE THE EXCHANGE) TO PREMIERE THIS MONTH

PPV SERVICE GUIDE: PLAYERS, PLANS & PAYOFFS



CableVision

LEADING THE WEEK

HBO Plus 11

Representatives of Home Box Office Inc. are discussing with MSOs the pay network's plans to launch a new service featuring a mixture of HBO originated programming and theatrical films aimed at subscribers in their 40s and older.

M/A-COM prevails 12

M/A-COM is emerging as the industry scrambling standard as programmers prepare to scramble their signals through M/A-COM facilities in San Diego, and the NCTA prepares to back out of the scrambling business.

Request TV 14

The cable industry's first 24-hour national pay-per-view service, formerly titled The Exchange, will premiere Nov. 28 as Request TV, initially transmitting movies via satellite to 10 systems representing about 110,000 addressable homes.

FCC goes local 14

The Federal Communications Commission voted to retain its existing cable television technical standards and shift the enforcement of those standards to the local level, but pre-empt any local technical regulations which exceed federal standards.

CAB, CTAM project 16

Almost one week after the Council for Cable Information's voted to end its industry promotion activities, a resource center housing program-specific cable service advertising for operator use is being put together by the Cabletelevision Advertising Bureau and the Cable Television Administration and Marketing Society.

Storer-KKR merger 20

Storer Communications may have to sell several of its assets in order to

cover the debt it will incur as the result of a merger deal in the offing with Kohlberg Kravis Roberts & Co.

CSN expands lineup 18

Track and field, college basketball and hockey, and many hours of programming produced by Goodway Marketing will help to expand the lineup of Commerce Satellite Network.

Western Show 18

A new format for the 35 seminars and the integration of technical sessions throughout the three-day show, are two reasons why California Cable Television Association officials forecast an improved Western Show.

Senate considers coverage 18

The Rules Committee of the U.S. Senate has voted to test live television and radio coverage of Senate proceedings, but the decision is expected to face trouble in the Senate.

TOPICS

Review 23

Showtime's *Tender Is the Night* carries F. Scott Fitzgerald's themes, however the novel's passionate, turbulent characters are "becalmed on screen" according to Reviewer Robert DiMatteo.

Marketing 33

MTV Networks has unveiled a new multi-million dollar television advertising campaign that pokes fun at its critics with the new tag line "MTV. Some People Just Don't Get It."

Media Watch 34

Seen as a victory for SPACE, Tim Wirth, D-Colo., chairman of the House telecommunications subcommittee announced to satellite dish manufacturers and dealers that his subcommittee would hold hearings "early next year" on the signal scrambling controversy. Also in Media Watch, the Community Antenna Television Association has launched an "information" campaign to explain to Congress and potential backyard satellite dish owners the legal situation concerning earth terminals.

Departments

Stock Market	38
People	40
Events	41
New Products	42
Classifieds	45
Advertisers' Index	47
Cable Stats	48
Parting Words	50



Cover Story 24

While many operators will not invest in impulse technology until they can see pay-per-view as a viable source of revenue, some entrepreneurs, many programmers, feel the timing is ripe for PPV. Associate Editor Chuck Ross gives a rundown of national PPV programmers.

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services

Affiliates	Subscribers
ACTS Satellite Network	201
Arts & Entertainment (A&E)	2,100
Black Entertainment Television (BET)	186
Cable News Network (CNN)	8,236
CNN Headline News	2,716
C-SPAN	1,950
CRN Cable Network	5,551
Commerco Satellite Network	N/A
Country Music Television	300
The Discovery Channel	400
ESPN	30,857
Everett Wood Television Network (EWTN)	267
Family Guide II Network	0
Financial News Network (FNN)	1,200
Home Shopping Network	124
The Learning Channel	675
Lifetime	2,680
Modern Satellite Network (MSN)	505
Music Television (MTV)	3,100
The Nashville Network	3,500
National Christian Network (NCN)	91
National Jewish Television (NJTV)	247
Nickelodeon	4,015
Odyssey	N/A
PTI The Inspirational Network	1,200
Satellite Program Network (SPN)	501
Silent Network	242
SIN Television Network	364
Trinity Broadcasting Network	409
USA Network	4,200
Video Hits One	347
The Weather Channel	1,780
WGN-TV	1,780
WOR-TV	1,494
WPIX-TV	152
WTBS-TV	9,964

Pay services

Affiliates	Subscribers
American Express	4
American Movie Classics	123
Bravo	122
Cinemax	3,200
The Disney Channel	2,130
GalaVision	250
Home Box Office (HBO)	6,000
Home Theater Network (HTN)	400
showtime	3,200
The Movie Channel	4,250
The Nostalgia Channel	30
The Playboy Channel	289
Private Ticket	4

Audio services

Affiliates	Subscribers
Cable Radio Network	14
Lifestyle	1,09
Moodly Bible Institute	53
Satellite Jazz Network	14
Satellite Radio Network	50
Star Ship Stereo Inc.	75
StudioLine	N/A
WFMT Chicago	154

Text services

Affiliates	Subscribers
AP News Cable	325
AP News Plus	30
Cable Sportstracker	5
Dow Jones Cable News	171
Electronic Program Guide (EPG)	255
EPG Jr	N/A
Genesis Cable Storytime	21
Reuters News View	325
TV Decisions	106
UPI Data Cable	450
X Press	N/A

Non-satellite-fed national services

Bicycled services

Affiliates	Subscribers
Enb Network	8
Nippon Golden Network	7
Vector Consumer News	12
Vector Consumer Shopping Guide	15

Regional entertainment services

Basic services

Affiliates	Subscribers
Atlanta Interfaith	7
Bay Area Religious Channel (BARC)	8
Buffalo Sabres Hockey	8
The Eumenaeal Channel	6
KTVI	37
Life News Vision	24
Madison Square Garden	37
Meadows Racing Network	14
MicroChannel	2
Newsday Cable	1
Texas Cable Network	15

Pay services

Affiliates	Subscribers
Dodgervision	40
Home Sports Entertainment	86
Houston Dallas	
Home Team Sports	60
New England Sports Network	74
PRISM Philadelphia	87
Pri-Ari Sports	94
SportsChannel New England	68
SportsChannel New York	52
SportsVision Chicago	26
Z Channel	21

Announced services

Regional services

Expected Launch
Prime Ticket Network

Satellite-fed services

Expected Launch
ABC pay per view service
Apollon Entertainment Television
The Book Channel
The BuenaVision Channel
Cablefax
COMB Value Network
The Choice Channel
Discovery Computer Network
Discovery Financial Network
Discovery Music Network
F1 Canal Musical
Ethnic Radio Networks
The Exchange
International Business Network
Magical
Movie Time
People's Choice
Satellite Concert Network
Showtime TMC Pay Per View Network
Sotcast National Digital Network
Telstar Pay Per View Service

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to CableVision, Attention Cable Stats, P.O. Box 5208 T.A., Denver, CO 80217. N/A denotes not available. TBA denotes to be announced.

© Total SN reach: Spanish-speaking households 4,114,400.

Source: Subscribers and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

A&E

Ajay Enterprises (R)
American National Cellular (R)
Antique Magazine (N)
Architectural Digest (R)
Armour-Dial (R)
AT&T Communications-Residential (R)
AT&T Corp. (R)
Australian Tourism (R)
Avis (R)
BMW (R)
Baldwin Pianos (R)
Blue Diamond Almonds (N)
Bolla Wines (R)
British Airways (R)
Buick (R)
Campbell Soup (R)
Celestial Seasonings (N)
Commodore Computers (R)
Dannon (R)
Dean Witter (R)
Delco (R)
Dell Publishing (R)
Exxon (R)
Ford (R)
Franklin Mint (N)
GTE (R)
G. Martin Textiles (N)
General Motors (R)
General Mills (R)
Hitachi (R)
Home Box Office (R)
Hong Kong Tourism (N)
Hormel/Dinty Moore (R)
IBM (R)
Intel Cable (R)
KLM Royal Dutch Airlines (R)
Kodak (R)
Life Magazine (R)
Maxell (R)
Meier Wines (N)
Merrill Lynch (R)
Mitsubishi (R)
The Movie Channel (R)
NVC (R)
National Audubon Society (R)
Natural History Magazine (R)
NCR Computers (R)
New Yorker Magazine (R)
Nissan Motors (R)
Paquet French Cruises (N)

Paul Masson (R)
Pfizer Pharmaceuticals (R)
Prudential-Bache (R)
Ralston Purina (R)
Royal Viking Cruises (N)
Schwepps (N)
Sara Lee (R)
Shearson Lehman (R)
Showtime (R)
Singer (R)
Simth-Corona (R)
Smithsonian Magazine (R)
State of California (N)
Tenneco (R)
Time Inc. (R)
Tom Hopkins (N)
Thailand Tourism (R)
Twentieth Century-Fox (R)
Ungaro (N)
United Nations Plaza (R)
Universal Studios (R)
Visa (R)
Volvo (R)
Wyndham Hill Records (N)
Zenith (R)
Zion First National Bank (R)

BET

Ajay Enterprises (R)
Adolph Coors (R)
Anheuser-Busch (R)
CBS Records (R)
Campbell's Soup (R)
Carson Products (R)
Coca-Cola (R)
Eastman Kodak (R)
Ford (R)
HBO (R)
Hershey (R)
J.C. Penney (R)
Johnson & Johnson (R)
KFC Corp. (R)
Kraft (R)
M&M Products Co. (R)
McDonald's (R)
Mobil Oil (R)
Nike (R)
Pepsi-Cola (R)
Pro Care (R)
Pro-line (R)
Proctor & Gamble (R)
Quaker Oats (R)
Sears Roebuck & Co. (R)
Soft Sheen Products (R)
Thompson Medical (R)
U.S. Army (R)
U.S. Marine Corps (R)

U.S. Postal Service (R)
Venus De Milo (R)
Warner Bros. (R)
Warner Lambert (R)
Wendy's International Inc. (R)
William Wrigley, Jr. (R)

C-SPAN*

Centel (R)
DuPont (R)
Eastern Airlines (R)
Gannett (R)
General Instrument (R)
GM (R)
M A-COM (R)
McDonnell Douglas (R)
Merrill Lynch (R)
Time (R)
Times Fiber (R)

ESPN

Avis (R)
Blistex (R)
Campbell Soup (R)
Casio (R)
Chevrolet (R)
Combe (R)
Conwood (R)
Cooper Tools (R)
Dodge (R)
Emerson Radio Corp. (R)
Esquire Magazine (R)
Formby's (R)
GMAC (R)
Homelite (R)
Honda (R)
IBM (R)
Manhattan Industries (R)
Paine Webber (R)
Qantas Airlines (R)
Ryder Trucks (R)
Sears (R)
Sentry Hardware (R)
Sports Shack (N)
Trustworthy Hardware (R)
Twentieth Century-Fox (N)
United Parcel Service (R)
U.S. Navy (R)
Wahl Clipper (N)

FNN

Allstate (N)
Avis (R)
AT&T (R)
Best Western (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chrysler (R)
Commodore Computers

(N)
Dow Jones (R)
Ford Corp. (R)
GMAC (R)
GM Corp. (R)
The Hartford Insurance (N)
Hayes Corp. (R)
Hong Kong Tourist Bureau (R)
InterNorth (R)
Intex (N)
ITT (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Nynex (R)
United Airlines (R)
USA Today (N)
Wall Street Journal (R)
Xerox (R)
Zion Banking (R)

The Learning Channel

American National Cellular (R)
Barron's (R)
Charles Schwab (R)
Investor's Daily (R)
Smithsonian Magazine (R)
Standard & Poor's (R)
Time & Life (R)
Working Woman Magazine (R)

Modern Satellite Network

American Motors (R)
Anheuser-Busch (R)
California Raisin Advisory Board (R)
Federal Reserve Board (R)
Hawaii Visitors Bureau (R)
International Paper (R)
Korean National Tourist Commission (R)
Mercedes-Benz of North America (R)
Pacific Area Travel Association (R)
Philip Morris Inc. (R)
Steelcase (R)
Tobacco Institute (R)
United Airlines (R)
Upjohn (R)
U.S. Army Corps of Engineers (R)

R denotes renewal client.

N denotes new client.

*Listing is comprised of both advertisers and program underwriters.

†New and renewal information not available.

Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.

NOVEMBER 11, 1986

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CableVision

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GROUP W BIDDERS RETHINKING BIDS

PAY SLIDE APPEARS TO HAVE HALTED

FCC MAY LINK COMPULSORY LICENSE TO OFF-AIR SIGNAL CARRIAGE

PLAYBOY FIRMS UP THREE-DAY SCHEDULE PLANS

CABLE SYSTEM AD SALES: MSO STAGES SET FOR BIG PUSH

CV 000209348
ACQUISITIONS EDITOR
CONGRESSIONAL INFO SVC
4520 EAST WEST HIGHWAY
BETHESDA MD

20814

TARGETED



AUDIENCES

NETWORKS



THAT HARD DECISION
ABOUT YOUR SYSTEMS SATELLITE AD SALES

HOUSTON

CABLE ADVERTISING INTERCONNECT

Cable AdNet
AMERICA'S INTERCONNECT
SALES & MANAGEMENT COMPANY

HARRON
cable
interconnect

CABLENET



W WARNER AMEX
CABLE TARGETING

CableVision

LEADING THE WEEK

Group W 11

The bidding process in the sale of Group W Cable is bogging down and so are the prices offered as Westinghouse hurries to sell its giant cable division.

Pay penetration 11

While most major pay services are experiencing steady growth, a recent analysis shows that HBO and Showtime have had only a slight upturn in sub counts after a poor showing at the top of the year.

Viacom, Turner talk 12

Discussions with Turner Broadcasting cited in an SEC filing by Viacom International shows that Viacom may own 50 percent of the MGM studio and 25 percent of the studio's distribution network if the talks now under way are successful.

FCC rulemaking 13

The Federal Communications Commission is expected to begin a formal inquiry rulemaking proceeding

into the must-carry question in light of the Quincy decision, during which the commission will seek comment on three petitions filed by broadcasting interests.

Under new management 14

Hoping to improve its financial performance, Playboy Video Corp., which registered back-to-back quarterly losses totalling \$3.5 million, has announced several high-level management changes.

Getting closer 15

The industry moved closer to scrambling last week as Showtime The Movie Channel announced its timetable for scrambling using M/A-COM technology, and ESPN surveyed affiliate commitment to purchasing descramblers.

Agreement reached 16

The Tribune Co. has reached agreement for the sale of one-quarter of its cable division, valued at \$50 million, to Tribune Cable President Doug Dittrick.

'Explorer' moves to WTBS 19

National Geographic's *Explorer* weekly cable program will move to WTBS Feb. 2, 1986 after airing on Nickelodeon since April 7.

ESPN closes ad deal 20

Anheuser-Busch has extended another five years its multi-million dollar advertising pact with ESPN which serves more than 37 million homes.

American eyes CommuniCom 20

The Mass. based American Cablesystems Corp. is considering purchasing the largest franchise holder in the City of Los Angeles, CommuniCom, which is currently struggling through Chapter 11 reorganization.

VCR campaign 20

Looking to retain pay subscribers, Tele-Communications Inc. has ordered 24,000 Scientific-Atlanta and Jerrold VCR interface units as part of a new campaign to promote the compatibility of VCRs and cable.

TOPICS

Review 27

Despite a little blood and violence and a touch of soft porn, Reviewer Robert DiMatteo sees HBO's anthology, *The Hitchhiker*, as a fun, "neat little series."

Business 28

Continental Cablevision has launched a \$325-million capital restructuring program that will include the repurchase of 6.5 million of the company's 12.7 million shares of stock increasing management's ownership from 24 percent to 43 percent. Also in

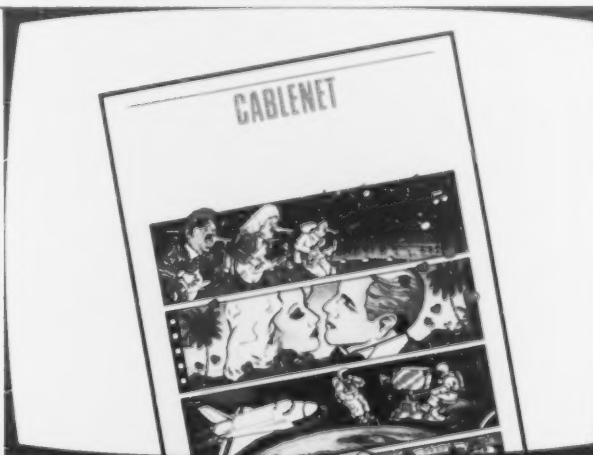
Business, Cablevision Co., is planning to offer securities to the public and switch from a limited partnership to a corporation.

Forum 35

Mark Palchick of Kenkel, Barnard & Edmundson gives a rundown of the Federal Communications Commission's revision of its rules regulating cable system usage of the aeronautical frequencies.

Departments

Stock Market	32
People	41
Events	42
New Products	45
Classifieds	46
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Cover Story 36

With more and more advertisers becoming aware of the benefits of local spots, cable ad sales has developed into a sophisticated business. While total industry revenues from subscription sales of 1985 are expected to reach \$8.7 billion, local advertising sales will contribute \$129 million more—clearly frosting on the cake.

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985E	86,000,000	64,500,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	84,233,330
Homes passed by cable (HP)	58,274,000
Percent of TVHH passed by cable	69.2%
Basic cable subs	32,761,000
Percent of TVHH with basic cable	38.9%
Percent of HP with basic cable	56.2%
Pay cable subs	19,624,000
Percent of TVHH with pay cable	23.3%
Percent of HP with pay cable	33.7%
Percent of basic subs with pay cable	59.9%

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
CBN Cable Network	8
Cinemax (West)	23
C-SPAN	19
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	4
Genesis Storytime	8
HBO (West)	13
HTN	16
Home Shopping Network	22
The Learning Channel	16
Lifetime	17
MSN - The Information Channel	22
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Reuter Monitor Service	18
Seeburg Lifestyle Music	3
Showtime (West)	10
SPN	6
StudioLine	19
TV Decisions	21
The Learning Channel	16
Trinity Broadcasting Network	3
USA Cable Network	9
(during blackout)	22
Video Hits One	15
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
Biznet	6
Bravo	2
Commerz Satellite Network	3
Home Sports Entertainment	1
Madison Square Garden	6
National Christian Network	7
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
Odyssey	23
The Playboy Channel	12
The Silent Network	16
SportsVision	9
WPIX - New York	19

Westar III (Western Union)

Transponder

CNN	5
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Westar IV (Western Union)

Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Westar V (Western Union)

Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
The Meadows Racing Network	22
Pro-Am Sports System (PASS)	14
The University Network	2

Galaxy I (Hughes)

CBN Cable Network	11
Cinemax (East)	19
CNN	7
CNN Headline News	8
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	1
(West)	23
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Home Team Sports	12
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Showtime (East)	5
SIN	6
StudioLine	13
WGN	3
WOR-TV	15
WTBS	18

Spacenet I (GTE)

ACTS	15
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Aurora F5 (Alascom)

Alaska Satellite Television Project	21
Learn Alaska Television Network	20
NASA Contract Channel	13

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1	Tele-Communications Inc.	3,690,938 (7.8%)
2	American Television and Communications Corp.	2,500,000 (7.8%)
3	Group W Cable	2,055,000 (7.8%)
4	Storer Cable Communications	1,408,000 (7.8%)
5	Cox Cable Communications	1,415,647 (7.8%)
6	Warner Amex Cable Communications Inc.	1,294,830 (10.8%)
7	Continental Cablevision	996,000 (6.8%)
8	Times Mirror Cable Television Inc.	927,000 (7.8%)
9	Newhouse Broadcasting	851,000 (6.8%)
10	United Cable Television	800,000 (7.8%)
11	Viacom Cablevision	711,000 (7.8%)
12	U.A. Cable Systems Corp.	640,000 (7.8%)
13	Sammons Communications Inc.	589,182 (7.8%)
14	Cablevision Co.	580,860 (6.8%)
15	Rogers Cable Systems Inc.	565,430 (10.8%)
16	Heritage Communications Inc.	550,170 (6.8%)
17	Jones Interchange Inc.	505,700 (11.8%)
18	Comcast Cable Communications	445,365 (7.8%)
19	Telecable Corp.	402,000 (7.8%)
20	McGraw-Hill Communications	352,000 (7.8%)
21	Capital Cities Cable Inc.	352,838 (7.8%)
22	Prime Cable Corp.	311,226 (7.8%)
23	Wometex Cable TV Inc.	298,477 (7.8%)
24	Central Cable Television Company	293,719 (7.8%)
25	Daniels & Associates	290,650 (7.8%)
26	New Channels Corp.	290,281 (7.8%)
27	TCI Group	273,189 (7.8%)
28	Cablevision Industries	269,711 (6.8%)
29	Multimedia Cablevision Inc.	268,961 (7.8%)
30	American Cable Systems Corp.	263,790 (6.8%)
31	Maclean Hunter Cable TV Ltd.	247,407 (7.8%)
32	Falcon Cable TV	243,000 (6.8%)
33	Scraps Howard	244,111 (6.8%)
34	TeleScripts	220,000 (7.8%)
35	Tribune Cable Communications	219,121 (7.8%)
36	Edison Communications Inc.	216,320 (7.8%)
37	Adelphi Communications	198,203 (7.8%)
38	Bollins Cablevision Inc.	197,000 (7.8%)
39	Century Communications Corp.	192,023 (6.8%)
40	Service Electric Cable TV Inc.	189,300 (7.8%)
41	Communications Service Inc.	179,000 (7.8%)
42	TKR Cable Co.	169,000 (7.8%)
43	Cable Entertainment	166,309 (7.8%)
44	TCI-Tel	163,086 (6.8%)
45	Sutton Capital Group	160,248 (7.8%)
46	Bilken & Associates	160,000 (7.8%)
47	Western Communications	157,564 (6.8%)
48	Adams-Russell Communications	147,192 (7.8%)
49	Harte-Hanks Communications	140,569 (6.8%)
50	Harron Communications	132,644 (7.8%)
51	Buckeye Cablevision	125,975 (7.8%)
52	Harris Cable Corp.	119,500 (7.8%)
53	Midwest Video Corp.	118,102 (2.8%)
54	Lifestar Group	114,932 (7.8%)
55	Lovett Media Cable	113,401 (7.8%)
56	Televents Inc.	112,500 (7.8%)
57	Armstrong Utilities	112,291 (7.8%)
58	Summit Communications	102,039 (7.8%)
59	U.S. Cable Corp.	98,000 (6.8%)
60	Concom Cable Associates Inc.	95,240 (6.8%)
61	Communications Systems Inc.	94,655 (4.8%)
62	Multi-Channel TV Cable Inc.	94,250 (7.8%)
63	McDonald Group	90,079 (8.8%)
64	Simmons Communications	88,082 (10.8%)
65	King Videocast Co.	87,504 (9.8%)
66	The Essex Group	85,000 (7.8%)
67	Bosch Communications	82,482 (8.8%)
68	McClatchy Newspapers	81,783 (7.8%)
69	Media General Corp.	81,429 (7.8%)
70	WEHCO Video Inc.	80,692 (7.8%)
71	Marcus Communications	80,604 (9.8%)
72	Palmer Communications	80,449 (7.8%)
73	Perry Cable TV Corp.	80,146 (7.8%)
74	Cable Management Associates	77,081 (7.8%)
75	Sonic Communications	74,216 (4.8%)
76	Omega Communications	74,213 (6.8%)
77	Midcontinent Cable Systems Co.	73,215 (8.8%)
78	Susquehanna Broadcasting	70,528 (7.8%)
79	Pioneer Services Inc.	69,111 (6.8%)
80	Clear TV Cable Associates Ltd.	59,488 (4.8%)
81	Omni Cable TV Corp.	58,468 (8.8%)
82	Selkirk Communications	58,150 (7.8%)
83	Marsh Media	57,698 (7.8%)
84	Helicon Corp.	55,000 (7.8%)
85	Northland Communications Corp.	53,500 (7.8%)
86	The Daily Press	53,000 (3.8%)
87	Massada Corp.	51,900 (7.8%)
88	National Telecommunications Corp.	51,300 (12.8%)
89	Acton Corp.	51,268 (7.8%)
90	United Video Management	50,803 (7.8%)
91	First Carolina Communications Inc.	49,329 (7.8%)
92	Communion	47,694 (1.8%)
93	Wisconsin Cablevision and Radio Co. Inc.	47,444 (7.8%)
94	Tele-Media	44,596 (7.8%)
95	Bresnan Communications	44,476 (7.8%)
96	Joseph Grays Cable TV	43,828 (3.7%)
97	State Cable TV	43,640 (8.8%)
98	Chamber Communications Corporation	43,366 (7.8%)
99	Donrey Cablevision	41,792 (8.8%)
100	Cable Holdings Inc.	40,200 (4.8%)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention: Cable Stats, P.O. Box 3208 T.A., Denver, CO 80217.

Top 100 systems

Rank	Location	Operator	Basic subs
1	San Diego, CA	Cox Cable	259,200 (7.8%)
2	Woodbury (Long Island), NY	Cablevision Co.	242,044 (7.8%)
3	Manhattan, NY	ATC	208,980 (12.8%)
4	Florida Division (Orlando/Orlando Beach)	ATC	195,700 (12.8%)
5	San Antonio, TX	Rogers Cable Systems	190,076 (6.8%)
6	Houston, TX	Warner Amex	189,000 (7.8%)
7	East Orange, N.J.	Marlen Hunter	174,915 (8.8%)
8	Honolulu, HI	ATC	150,400 (12.8%)
9	Phoenix, AZ	Times Mirror	142,000 (7.8%)
10	Wayne, NJ	U.A. Cable Systems	140,000 (7.8%)
11	Cincinnati, OH	Warner Amex	137,000 (8.8%)
12	Tulsa, OK	United Cable	135,048 (7.8%)
13	Englewood, CO	United Cable	131,105 (7.8%)
14	Audubon, NJ	New York Times	125,537 (7.8%)
15	Tidewater/Norfolk, VA	Cox Cable	118,425 (7.8%)
16	Atlanta, GA	Prime Cable	117,600 (7.8%)
17	Rochester, NY	ATC	117,190 (12.8%)
18	Baltimore County, MD	Comcast Cable	117,000 (7.8%)
19	Eric County, NY	Prime Cable Corp.	115,616 (7.8%)
20	Jacksonville, FL	Continental	110,000 (6.8%)
21	San Jose, CA	Goli Industries	107,000 (8.8%)
22	Memphis, TN	ATC	106,300 (12.8%)
23	Seattle, WA	Group W	104,000 (7.8%)
24	Toledo, OH	Buckeye Cablevision	104,000 (8.8%)
25	Manhattan, NY	Group W Cable	103,400 (7.8%)
26	San Juan, PR	Harris Cable Corp.	102,726 (7.8%)
27	Austin, TX	ATC	102,500 (12.8%)
28	Charlotte, NC	ATC	101,200 (12.8%)
29	Central Islip/Long Island, NY	Viacom	101,211 (8.8%)
30	Jefferson Parish/Kenner, LA	Cox Cable	96,629 (7.8%)
31	San Diego, CA	ATC	92,191 (12.8%)
32	San Francisco, CA	Viacom	90,776 (8.8%)
33	Warren, NJ	PKR Cable	90,000 (7.8%)
34	Udell, TX	Heritage	90,130 (10.8%)
35	Los Angeles, CA	Falcon Communications	88,137 (2.8%)
36	Wilmington, DE	Bollins Cablevision	85,000 (7.8%)
37	Grand Rapids, MI	U.A. Cable Systems	84,000 (4.8%)
38	Seattle, WA	Viacom	80,200 (12.8%)
39	Jackson, MS	Multimedia Cablevision	80,158 (7.8%)
40	Wichita, KS	Telecommunications Inc.	79,666 (7.8%)
41	Pittsburgh, PA	Cox Cable	79,037 (7.8%)
42	New Orleans, LA	Vision Cable	78,000 (7.8%)
43	Clearwater, FL	Storer Cable	78,000 (7.8%)
44	Broward County, FL	American Cable Systems	77,590 (6.8%)
45	Pompano, FL	Cablevision	75,524 (3.8%)
46	Horton, MA	Continental	75,250 (7.8%)
47	Richmond/Henrico, VA	Daniels & Associates	74,820 (2.8%)
48	Baton Rouge, LA	Heritage Communications	72,936 (7.8%)
49	South Texas, TX	Comcast Cable	72,700 (7.8%)
50	Flint, MI	Indianapolis Cablevision	72,496 (4.8%)
51	Indianapolis, IN	Cable TV of Puget Sound	72,436 (5.8%)
52	Tacoma, WA	Storer Communications	71,000 (7.8%)
53	Jefferson County, KY	ATC	69,200 (12.8%)
54	Greensboro, NC	Heritage Communications	69,015 (7.8%)
55	South Bend, IN	Viacom	69,000 (4.8%)
56	Cleveland Heights, OH	Group W	68,200 (7.8%)
57	Santa Monica, CA	Media General	67,767 (7.8%)
58	Fairfax, VA	Storer	66,914 (7.8%)
59	Louisville, KY	Cox Cable	65,810 (7.8%)
60	Omaha, NE	ATC	65,800 (12.8%)
61	Raleigh, NC	Viacom	65,000 (4.8%)
62	Nashville, TN	ATC	64,000 (12.8%)
63	Kansas City, MO	Warner Amex	64,679 (3.8%)
64	Columbus, OH	Group W	64,200 (7.8%)
65	St. Petersburg, FL	Telecommunications Inc.	63,898 (8.8%)
66	Buffalo, NY	Warner Amex	63,000 (7.8%)
67	Akron, OH	Times Mirror Cable	63,180 (3.8%)
68	Boston Complex (Malden), MA	New Channels Corp.	62,814 (7.8%)
69	Hartford, CT	New Channels Corp.	62,814 (7.8%)
70	Binghamton, NY	Cox Cable	62,751 (7.8%)
71	Syracuse (suburb), NY	ATC	62,100 (12.8%)
72	Oklahoma City, OK	Service Electric	62,000 (7.8%)
73	Fayetteville, NC	Times Mirror Cable	61,892 (7.8%)
74	Milwaukie, PA	Group W	61,700 (7.8%)
75	Las Vegas, NV	Western Communications	61,347 (7.8%)
76	El Paso, TX	Telecommunications Inc.	61,257 (4.8%)
77	Monterey, CA	Storer Cable	60,000 (7.8%)
78	Madison, WI	Group W	60,000 (7.8%)
79	New Haven, CT	CableNet	60,000 (3.8%)
80	West Palm Beach, FL	Storer Cable	59,967 (7.8%)
81	Mt. Prospect, IL	Cox Cable	59,932 (7.8%)
82	Sarasota, FL	Heritage Communications	59,489 (7.8%)
83	Santa Barbara, CA	ATC	59,400 (12.8%)
84	Des Moines, IA	Storer Cable	59,000 (7.8%)
85	Birmingham, AL	Viacom	59,000 (4.8%)
86	Albany, GA	Sammons Communications	58,600 (7.8%)
87	Solomish County, WA	United Cable	58,282 (12.8%)
88	Fl. Worth, TX	Cablevision Co.	57,886 (7.8%)
89	Harrisburg, PA	Scraps Howard	57,100 (12.8%)
90	New Britain, CT	Cablevision Co.	56,790 (7.8%)
91	Bridgeport, CT	ATC	56,700 (7.8%)
92	Indianapolis, IN	Cablevision Co.	56,700 (7.8%)
93	Chicago Suburbs (Oak Park, IL)	Tribune Cable	56,705 (7.8%)
94	Albuquerque, NM	Cablevision Co.	56,364 (7.8%)
95	Stamford (Fairfield), CT	U.A. Cable Systems	56,000 (7.8%)
96	Westchester County (New Rochelle), NY	Valley Cable	55,994 (5.8%)
97	Chatsworth, CA	Summit Communications	55,781 (7.8%)
98	Winston-Salem, NC	Times Mirror Cable	55,715 (7.8%)
99	Escondido San Diego County, CA	ATC	55,500 (12.8%)
100	Shreveport, LA		

NOVEMBER 18, 1985

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

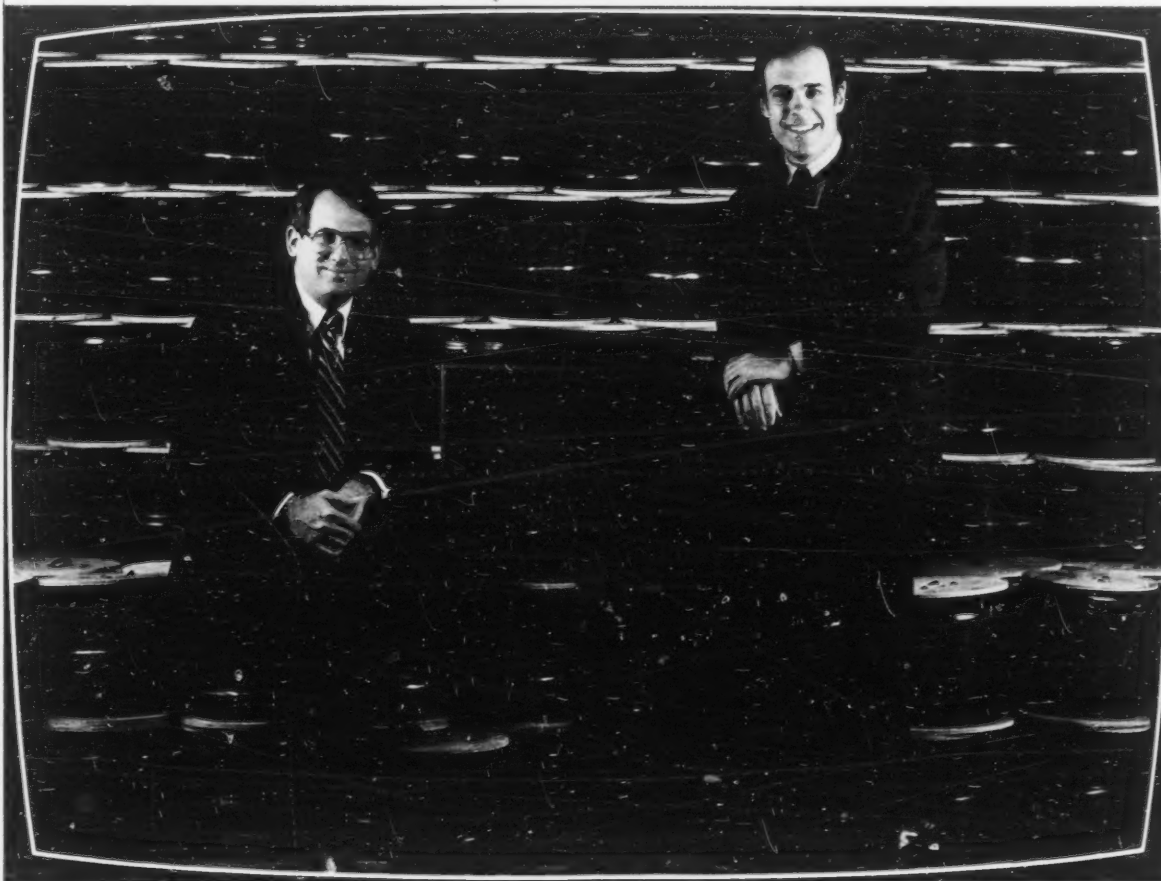
PREFERRED REVIEW SET BY SUPREME COURT

MONTGOMERY COUNTY LOOKING TO REVOKE TRIBUNE-UNITED FRANCHISE

MUST-CARRY PROCEEDING LAUNCHED BY FCC

MMDS UPDATE: LOTTERY WINNERS GET ROLLING

THE HERITAGE GAMBLE: DIVERSIFICATION AND DALLAS



CableVision

LEADING THE WEEK

High Court to hear Preferred 11

The U.S. Supreme Court has agreed to review the 9th Circuit Court of Appeals' *Preferred Communications vs. Los Angeles* decision.

Mandatory signal carriage 12

The Federal Communications Commission has initiated a combined inquiry and rulemaking proceeding to determine whether it can develop post-*Quincy* mandatory signal carriage rules.

MTV challenger 16

Houston Hit Video/TV 5, a low power VHF station, has plans to become a satellite-delivered national programming service looking to compete with MTV.

United may drop WPIX 16

United Video may discontinue satellite feeds of New York superstation WPIX if it cannot bring its 37 charter-rate affiliates into per-sub rate parity with

the other 115 systems that also program its station.

Courts say no 18

To the surprise of industry officials and attorneys involved in the case, the 11th Circuit U.S. Court of Appeals has declined to review its *Florida Power vs. FCC* decision holding the 1978 Pole Attachment Act unconstitutional.

A question of value 19

Though most industry officials involved in the Group W bidding process believe the cable properties to be worth less than originally thought, one party may be prepared to offer \$1,000 per subscriber.

Acquisition plans 20

Jones Intercable has announced plans for the Jones Intercable Fund One, a limited partnership fund to be launched in the coming year, which will fuel a major acquisition drive by the Denver-based MSO.

Lifetime changes 24

Charles Gingold, program manager at Group W's KYW-TV in Philadelphia, has replaced Mary Alice Dwyer-Dobbin as vice president for programming for Lifetime.



Western Show near 28

A positive tone is in the air as final touches are being put in place for the 17th annual Western Show. Some 8,000 representatives are expected when the show opens in Anaheim's Convention Center Dec. 4.

TOPICS

Programming 36

Several basic cable services including USA, Lifetime, FNN and The Nashville Network, are collecting several million dollars in revenue from showcasing "venture" programs such as *Get Rich With Real Estate* and *Building Blocks to Fortune*.

Media Watch 58

MMDS is finally poised for lift-off into the major urban markets of this country as the FCC began in September the long-awaited process of selecting "tentative licensees" for two four-channel MMDS blocks per market. Full-scale MMDS will likely debut in 23 major cities next year.

Business 62

Nemedia, a new company designed to speed the transfer of high technology communications products between Europe and the United States, has been founded by the former President of NCTA Tom Wheeler and Arthur Esch, founder of NABU Network.

System profile 74

Because it is almost "demographically perfect," Oxnard, Calif., has become a prime system for Jones Intercable to test new ideas. Much of the success the system enjoys, is due in large part to Dick Glascock, the plant manager, whose leadership and innovative methods have proven highly effective.

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Cover Story 40

Jim Hoak, president, and Jim Cownie, executive vice president, are the guiding forces behind Heritage Communications. The Des Moines-based MSO has its sights set on becoming one of the nation's top diversified communications companies. And in wake of its move to spend \$110 million for a troubled Dallas cable system, HCl is eager to prove it's ready for the "big leagues." Photo by Steve Niedorf.

CABLE STATS

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next three months.

December

	Source
Bedknobs and Broomsticks MPAA Rating: G Cast: Angela Lansbury, David Tomlinson, Roddy McDowall, Sam Jaffe Running Time: 117 mins.	Disney
Fletch MPAA Rating: PG Cast: Chevy Chase, Tim Matheson, Joe Don Baker, Donna Wheeler-Nicholson Running Time: 98 mins.	Universal
Godzilla MPAA Rating: PG Cast: Raymond Burr, Koji Kobayashi, Ken Tanaka Running Time: 91 mins.	New World
Man With One Red Shoe MPAA Rating: PG Cast: Tom Hanks, Dabney Coleman, Lori Singer, Charles Durning Running Time: 93 mins.	20th Century-Fox
Police Academy 2: Their First Assignment MPAA Rating: PG-13 Cast: Steve Guttenberg, Bubba Smith, David Graf, Michael Winslow Running Time: 87 mins.	Warner Bros.
Silverado MPAA Rating: PG-13 Cast: Kevin Kline, Scott Glenn, Kevin Costner, Rosanna Arquette Running Time: 132 mins.	Columbia
View To A Kill MPAA Rating: PG Cast: Roger Moore, Tanya Roberts, Christopher Walken, Grace Jones Running Time: 131 mins.	MGM/UA

January

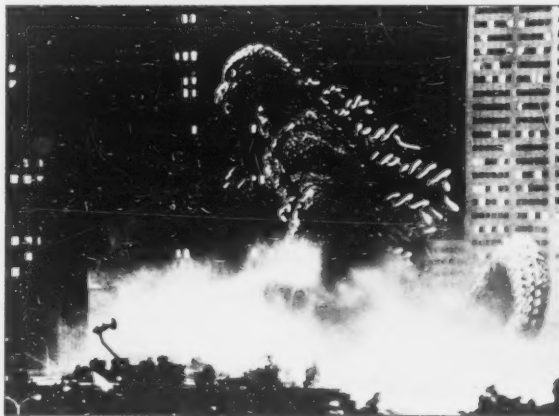
	Source
The Bride MPAA Rating: PG-13 Cast: Sting, Jennifer Boules, Geraldine Page, Clancy Brown Running Time: 118 mins.	Columbia
Fright Night MPAA Rating: R Cast: Chris Sarandon, William Baggdale, Amanda Bearse, Roddy McDowall Running Time: 105 mins.	Columbia
Ladyhawke MPAA Rating: PG-13 Cast: Matthew Broderick, Rutger Hauer, Michelle Pfeiffer, Leo McKern Running Time: 122 mins.	Warner Bros.
The Legend of Billie Jean MPAA Rating: PG-13 Cast: Helen Slater, Christian Slater, Keith Gordon, Yardley Smith Running Time: 96 mins.	TriStar
Lost In America MPAA Rating: R Cast: Albert Brooks, Julie Hagerty Running Time: 92 mins.	Warner Bros.
Red Sonja MPAA Rating: PG-13 Cast: Arnold Schwarzenegger, Brigitte Nielsen, Sandahl Bergman Running Time: 89 mins.	MGM/UA
The Stuff MPAA Rating: R Cast: Andrea Marcovici, Michael Moriarty, Scott Bloom Running Time: 86 mins.	New World
Vision Quest MPAA Rating: R Cast: Matthew Modine, Linda Fiorentino, Madonna, Michael Schoeffling Running Time: 108 mins.	Warner Bros.
Warning Sign MPAA Rating: R Cast: Sam Waterson, Kathleen Quinlan, Yaphet Kato, Jeffrey De Munn Running Time: 100 mins.	20th Century-Fox

February

	Source
Agnes of God MPAA Rating: PG-13 Cast: Jane Fonda, Anne Bancroft, Meg Tilly Running Time: 99 mins.	Columbia
Gremlins MPAA Rating: PG Cast: Zach Galligan, Phoebe Cates, Hoyt Axton, Polly Holliday Running Time: 106 mins.	Warner Bros.
Jagged Edge MPAA Rating: R Cast: Glenn Close, Jeff Bridges, Peter Coyote, Robert Loggia Running Time: 108 mins.	Columbia
Key Exchange MPAA Rating: R Cast: Brooke Adams, Seth Allen, Sandra Beall, Ken Masters Running Time: 96 mins.	20th Century-Fox
The Ninth Configuration MPAA Rating: R Cast: Stacy Keach, Scott Wilson, Jason Miller, Ed Flanders Running Time: 105 mins.	New World
Pale Rider MPAA Rating: R Cast: Clint Eastwood, Michael Moriarty, Carrie Snodgrass, Christopher Penn Running Time: 113 mins.	Warner Bros.
Real Genius MPAA Rating: PG Cast: Val Kilmer, Gabe Jarret, Michelle Meyrink, William Atherton Running Time: 109 mins.	TriStar
Return to Oz MPAA Rating: PG Cast: Fariha Balk, Piper Laurie, Nicole Williamson, Jean Marsh Running Time: 109 mins.	Disney
Year of the Dragon MPAA Rating: R Cast: Mickey Rourke, John Lone, Arien Running Time: 124 mins.	MGM/UA

Note: Running times are approximate.

Film information provided to International Thomson Communications Inc. by studios.



New World Pictures' 1985 revival of the legendary film monster, 'Godzilla', is available for pay-per-view this December.

Franchising calendar

This chart examines the franchise status of communities since November 1985

California

Cerritos—request for proposals issued.
Chino—negotiations with Marsh Media.
Claremont—tentative agreements to award franchise to Masada Corp.
East Yolo—award to Sonic Cable 7.85 (10,000 homes).
La Puente—award to United Cable 11.28 84 (8,600 homes).
Los Altos—awarded to United Cable 12.84 (9,000 homes).
Palo Alto—awarded 10.7.85 to Cable Communications Cooperative of Palo Alto.
Rosemead—award to Falcon Communications 2.26.85 (14,000 homes).
South Monrovia—award to Falcon Communications 9.18 (5,400 homes).

Delaware

Wilmington—commission's recommendation under review by City Council.

District of Columbia

Washington, D.C.—award to District Cablevision 7.10.84 (254,000 homes).

Illinois

Chicago—Area I award to Communications and Cable (300,000 homes).
Countryside—award to Cablevision of Chicago 6.13.84 (2,200 homes).
Elmwood Park—award to Continental Cable 12.17.84 (9,500 homes).
Naperville—award to Rite Cable Co. of Illinois Limited. Rite Cable of Illinois also awarded unincorporated areas of DuPage County (17,500 homes).
St. Charles, Geneva—award to Centel 7.2.84 (10,000 homes).
Wheaton—award to Centel 7.2.84 (16,000 homes).
Winnetka—survey showed interest in cable insufficient to warrant franchise.
Woodbridge—terminated franchising process (260 homes).

Kentucky

Fulton—award to TCI 12.13.84 (2,400 homes).
Loretto—terminated franchise process.

Maryland

Baltimore—award to United Cable 12.19.84 (302,000 homes).

Massachusetts

Belchertown—negotiations with Clearview Cable completed; preliminary award expected.
Belmont—accepting proposals. Public hearing scheduled 8.13.85 (2,760 homes).
Lincoln—bids due 10.18.85 award expected.
Marblehead—award to Continental Cable 12.84.

Medfield—awarded to Massachusetts Cablevision Inc.
Mendon—award to Massachusetts Cablevision Systems 1.7 (1,200 homes).
Middleborough—award to Continental Cablevision 5.14.84 (3,834 homes).
Nahant—reviewing proposals from Continental Cablevision and Nashoba Communications.
Rochester—final hearings in progress on proposal from American Cable.
Sandwich—award to Campbell Communications (5,000 homes).
Seekonk—Award to Massachusetts Cablevision 6.85 (6,000 homes).
Shirley—provisional license granted to Nashoba Communications 10.84.
Reviewing contract (1,827 homes).
Southborough—awarded to Greater Worcester Cablevision 8.13.85.
Sterling—award to Wachusett Cablevision (2,000 homes).
Stow—provisional license to Adams-Russell 9.84 (1,600 homes).
Townsend—provisional license to Nashoba Communications Inc.

New Jersey

Jersey City—moving ahead on municipal ownership despite lawsuit by Controlled Cable originally granted franchise.
Patterson—reviewing U.S. Cable joint venture application.

Oregon

Dunthorpe—no response to RFP.
Sylvan—awaiting additional legal opinions.

Rhode Island

Naval Education and Training Center—accepting proposals (2,900 homes).
Newport (Area 7 includes Middletown, Portsmouth, Tiverton, Little Compton)—Bellevue Cablevision Inc. awarded franchise (29,500 homes).

Virginia

Manassas—negotiating with Cablevision of Manassas.

Washington

Battle Ground—new ordinance drafted. Soliciting interest from operators.
Seattle—city is divided into four parts: Group W, Viacom and Seattle Community Cablevision serve overlapping sections of three parts; part IV is beginning franchising process.

Source: International Thomson Communications Inc.

Franchising in the top 50 markets

Rank	Market	Status of core city	Rank	Market	Status of core city	Rank	Market	Status of core city
1	New York	Manhattan—2 OP; outer boroughs—8 FG	22	Indianapolis	Two systems OP	36	Charleston	Two systems OP
2	Los Angeles	City is divided into 14 areas (A through J) OP, J UC	23	Portland	Three systems OP	37	Huntington	Two systems OP
3	Chicago	City is divided into five areas: Area I FG, Areas II, III OP, Areas IV, V FG	24	Phoenix	Three systems OP	38	Norfolk-Newport	Four systems OP
4	Philadelphia	City is divided into four areas: Areas I, II, III, IV FG	25	Hartford	Two systems OP	39	New Hampshire	Four systems OP
5	San Francisco	OP (system to be upgraded)	26	New Haven	OP	40	Portsmouth	Four systems OP
6	Boston	OP	27	Cincinnati	Two systems OP	41	Harrisburg York	Four systems OP
7	Detroit	FG	28	San Diego	OP	42	Lebanon-Lancaster	Two systems OP
8	Washington, D.C.	FG	29	Kansas City	OP	43	Wilkes-Barre	Two systems OP
9	Cleveland	RP	30	Milwaukee	OP	44	Sarasota	Two systems OP
10	Dallas-Ft. Worth	Two systems OP	31	Nashville	OP	45	Albany-Schenectady	Three systems OP
11	Houston	Two systems OP	32	Charlotte	OP			
12	Pittsburgh	OP	33	Buffalo	OP			
13	Miami	OP	34	Providence	OP			
14	Seattle-Tacoma	City is divided into five parts (I-IV) OP, (V) RP; Tacoma OP	35	New Bedford	Two systems OP			
15	Minneapolis-St. Paul	OP UC	36	Orlando	Two systems OP			
16	Atlanta	OP	37	Daytona Beach	Two systems OP			
17	St. Louis	OP UC	38	New Orleans	OP			
18	Tampa-St. Petersburg	OP OP	39	Memphis	OP			
19	Denver	OP	40	Columbus	Four systems OP			
20	Baltimore	FG	41	Greenville-Asheville	Three systems OP			
21	Sacramento	OP OP	42	Spokane	Three systems OP			
			43	Grand Rapids	Three systems OP			
			44	Kalamazoo	Two systems OP			
			45	Battle Creek	Two systems OP			
			46	Birmingham	Two systems OP			
			47	Raleigh-Durham	Two systems OP			
			48	Oklahoma City	Two systems OP			
			49	Louisville	Two systems OP			
			50	Salt Lake City	OP			
				San Antonio	OP			

Source: International Thomson Communications Inc.

NOVEMBER 25, 1985

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

TURNER NIXES NBC OFFER FOR CNN

3-FOOT C-BAND DISH SLATED FOR '86 PRODUCTION

MTV, EASTERN MICROWAVE ANNOUNCE SCRAMBLING PLANS

MASSACHUSETTS OPERATORS GET A BREAK IN TAX RULING

THE LOCAL ADVANTAGE: PROGRAMMING GAINING MOMENTUM



CableVision

LEADING THE WEEK

Turner declines NBC 11

Turner Broadcasting System has announced that it will not sell a 50 percent interest in Cable News Network to NBC, citing an inability to comply with the broadcast network's demands for editorial control.

NCTA bows out 12

The National Cable Television Association board of directors has voted to suspend its efforts toward establishing its operator-driven scrambling consortium, noting an "obvious trend in the industry" toward M/A-COM's VideoCipher II technology.

MTV and WOR to scramble 12

MTVN and Eastern Microwave have announced plans to scramble their satellite delivered services using M/A-

COM's VideoCipher II encryption technology on July 1 and March 1, respectively.

Possible must-carry talks 16

The National Cable Television Association has authorized President James Mooney to open talks with the broadcasting industry to determine if an acceptable must-carry compromise can be reached.

Daniels joins bid for Group W 17

Daniels & Associates has become part of the TCI Time Comcast cable consortium bidding for Group W cable systems while Heritage Communications has dropped into the background.

DeGeorge takes Times Fiber 20

Lawrence DeGeorge, former chairman

of Times Fiber Communications, will once again take control of the company for \$96.6 million after the board approved a definitive merger agreement signed by Insilco and DeGeorge's LPL Group.

Amoco pulls plug 20

Packet Technologies has lost its major source of funding and cut its staff in half after Amoco withdrew all financial support from the company.

Telecable makes six 21

Telecable Corp., the nation's fifth ranked MSO in terms of addressable subscribers, will become the sixth MSO to take part in the EventTelevision pay-per-view movie service venture.

TOPICS

Review 25

Don Adams isn't totally at fault for USA's comedy series' shortcomings even though his humor is "more dead than deadpan" according to Reviewer Bob DiMatteo. DiMatteo thinks viewers should not bother to *Check It Out*.

Business 34

After five months of acquisition talks and right before a major product announcement at the Western Cable Show by Business Systems Inc., Commonwealth Telephone Enterprises has purchased the computer billing company. Also in Business, Rogers Cablesystems Inc. has renewed its offering of a 25 percent interest in Rogers Cablesystems of America to the public market after being forced to withdraw its 3.5-million-share offer.



On Demand 39

The box office smash *Ghostbusters*, looks like it will be pay-per-view's most successful movie yet. Success does have its price, however, for operators are finding the film is also the most expensive ever licensed for PPV.

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Cover Story 28

Local origination programming is overcoming its reputation as a revenue drain, and gaining a new standing as operator perceptions change from seeing LO as only a bargaining chip for franchise agreements to a viable marketing tool. On the cover are examples of LO programming, a University of Denver hockey game on Mile Hi Cablevision, *Portland Pursuit* trivia game show on Rogers Cablesystems and *America's Teens on Drugs* on Falcon Cable TV of Alhambra, Calif.

CABLE STATS

Film product comparison—December

Film	Pay Networks	Distributor	Film	Pay Networks	Distributor
Alligator	TMC	(MAX) Cinema Signal	Dune	(HBO) ST* (TMC)	Universal
All That Jazz	(TMC)	(MAX) 20th Century-Fox	East Side, West Side	(HBO) (TMC) HTN*	(MAX) MGM/UA
Alphabet City	(HBO) TMC	(MAX) Atlantic TV	Electric Dreams	(HBO) ST	(MAX) MGM/UA
Answering Mr. Blunder: The American Dreamer	HBO	(MAX) Excel Video	Elvis On Tour		(MAX) MGM/UA
Amityville		(MAX) CBS	Elvis, That's The Way It Is	(TMC)	(MAX) MGM/UA
The Amos 'n' Andy Show		(MAX) Danco-Lentini	Emmanuelle In Bangkok		(MAX) Film Gallery
Android	TMC	(MAX) Castle Hill	Escape From New York	TMC	Emilias
Any Number Can Play	ST	(MAX) MGM/UA	Eyes of a Stranger	HTN	Coe Films
Avantgarde		(MAX) New World	Faded to Black	TMC	Warner Bros.
Bachelor Party	ST	(MAX) 20th Century-Fox	Faded to Black	TMC	Compass
Ballad of Gregorio		(MAX) Embassy	Finn's Rainbow	HTN	Warner Bros.
Barbaric	HTN	(MAX) The Film Society	Footloose	TMC*	Paramount
Beyond the Limit	(HBO)	(MAX) To Star	Foxes	(HBO)* TMC*	MGM/UA
Bomb	(HBO)	(MAX) Telepictures	Gallipoli		Paramount
Born This	ST	(MAX) Columbia	Garbo Talks	ST*	MGM/UA
Breathless	(HBO)	(MAX) Tri Star	Goat: All the Way	(HBO) (ST)	(MAX) Shapiro
Blame It On The Night		(MAX) Tri Star	Going Berserk	ST	(MAX) Universal
Bottoms: The Honesty	(HBO) TMC	(MAX) Mino Pictures	Goodbye Girl, The	ST	(MAX) MGM/UA
Breaker 2	(HBO)	(MAX) Orion	Greystoke	(HBO) ST	(MAX) MGM/UA
Electric Blue	HBO	(MAX) To Star	Greystoke: The Legend of Tarzan, Lord of the Jungle	TMC	Premiere TV
Breakaway Danny Rose	(HBO)	(MAX) Orion	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Universal
Buddy System: The Call	(HBO) (ST)	(MAX) 20th Century-Fox	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN	New World
Camelot	TMC	(MAX) Warner Bros.	Greystoke: The Legend of Tarzan, Lord of the Jungle	TMC	Goldwyn
Cannonball Run II	(HBO) (ST)	(MAX) Warner Bros.	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Columbia
Carbone Williams	(HBO)* TMC	(MAX) MGM/UA	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Universal
Carnal Knowledge	(HBO)* TMC	(MAX) MGM/UA	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Orion
Cas. The		(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	20th Century-Fox
Champion	(HBO)	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Universal
Chief Lovecraft Close Chase	(HBO) TMC	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	King Features
Chosen Me		(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	New Century
Christmas	(HBO)	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Warner Bros.
Christmas Story: A	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Orion
City Heat	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Coal Miner's Daughter	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Comfort and Joy	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Competition, The	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Country	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Crackers	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Crimes of Passion	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Cuba	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group
Dreamscape	(HBO) ST	(MAX) Embassy	Greystoke: The Legend of Tarzan, Lord of the Jungle	HTN*	Blum Group



'Country' starring Jessica Lange and Sam Shepard will be featured on Home Theater Network.



'Cal', on Home Box Office this December.



'Napoleon', showing on The Movie Channel.

Film	Pay Networks	Distributor
No Big Deal	(HBO)	TMC*
Norma Rae	ST	TMC
No Small Affair		MAX
North Dallas 40		MAX
Of Unknown Origin	HBO	TMC*
Oh, Albie		(MAX)
Oh, God! You Devil	(HBO)	ST
Old Enough	(ST)	(TMC)
Oliver!	(HBO)	HTN
Oliver's Story	(HBO)	TMC
On the Town		TMC
Osterman Weekend, The	(HBO)	(ST)
Outsiders, The		TMC
Oxford Blues	(HBO)	ST
Police Academy	(HBO)	(ST)
Porky's II	(HBO)	(TMC)
The Next Day	(HBO)	TMC*
Prince and the Pauper, The	(HBO)	(ST)
Protocol	(HBO)	(ST)
Purple Rain	(HBO)	ST
Raiders of the Lost Ark	(HBO)	ST
Red Danube, The		ST
Red Dawn	(HBO)	(ST)
Red Shoes, The		(ST)
Remains To Be Seen		ST
Repo Man		ST
Revenge of the Nerds		ST
Rich, Young and Pretty		ST
River, The	(HBO)	ST
Rockshow		ST
Romancing the Stone	(HBO)	ST
Rose, The		ST
Ruling Class, The		ST
Sahara	(HBO)	ST
St. Helens		ST
Saturday Night Fever	(HBO)	ST
Savage Attraction		ST
Scarface (1932)		ST
Secret of Nini, The	(HBO)	ST
Seduction, The	(HBO)	ST
Seduction of		ST
Joe Tynan, The	(HBO)	ST
Silkwood	(HBO)	ST
Sixteen Candles	(HBO)	ST
Soldier, The	(HBO)	ST
Soldiers Story, A	(HBO)	ST
Something Wicked		ST
This Way Comes	(HBO)	ST
Spirit of St. Louis, The		ST
Splash	(ST)	TMC
Stalking Moon, The		TMC
Stalking the Moon		TMC
Star Trek III	(ST)	TMC*
State Fair		TMC
Stone Boy, The	(HBO)	TMC
Streets of Fire	(HBO)	TMC
Strange Brew	(HBO)	TMC

Film	Pay Networks	Distributor
Stranger In The House: A		TMC
Sudden Impact	(HBO)	ST*
Tecator Three		(TMC)
10	(HBO)	(ST)
Terms of Endearment		(ST)
Things Are Tough		(ST)
All Over		(ST)
Three Little Words		(ST)
Tigers In Hipstick		(ST)
Tommy	(HBO)	ST
Top Secret		ST
Touched	(HBO)	ST
Trouble With Harry, The		ST
Truckin' In Nashville		ST
Two Weeks In		ST
Another Town		ST
Videodrome		ST
Wall, The		ST
Wavelength	(HBO)	ST
We Live Again		ST
When A Stranger Calls		ST
Where the Boys Are	(HBO)	ST
Whirlpool		ST
Whistle Down the Wind		ST
Wholly Moses?	(HBO)	ST
Wild Life, The	(HBO)	ST
Wild Swans, The		ST
Windy City, The		ST
World Is Full of		ST
Married Men, The	(HBO)	ST
Wuthering Heights		ST

Cable Network Legend:
HBO—Home Box Office
ST—Showtime
TMC—The Movie Channel
HTN—Home Theater Network
MAX—Cinemax

■ Networks in parentheses indicate carriage in July, August, September, October, and/or November.

■ An asterisk indicates the film is a carry-over from July, August, September, October, or November.

■ In total, 202 films appear on the December schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles during the last six months, seven films have played on all five services, 13 films have played on four of the five services, 37 films have played on three services and 61 films on two services. Eighty-four were unduplicated.

■ The motion picture distributor with the most titles on pay-TV this month is MGM U/A with 27, followed by Universal with 26, Warner Brothers with 23 and 20th Century Fox with 17.

DECEMBER 2, 1985

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY



CableVision

LEADING THE WEEK

Government request 14

Severely diminishing the chance that the Supreme Court will hear the case, the U.S. Solicitor General has asked the Supreme Court not to review the D.C. Circuit Court of Appeals' *Quincy Cable v. FCC* which found the FCC's must-carry rules unconstitutional.

NBC Cable News 18

Following the collapse of talks with Turner Broadcasting Service on the purchase of an interest in CNN, NBC will wait until Jan. 31, to determine whether NBC Cable News has garnered enough commitment from operators to warrant start-up.

Texscan goes Chapter 11 23

Having posted a \$50-million operating loss for the fiscal year ending last April, Texscan Corp. has filed for bankruptcy under Chapter 11 laws.

PPV services launched 24,36

Showtime/The Movie Channel made a surprise launch of its pay-per-view service, Viewer's Choice on Nov. 27, one day before the long-awaited debut of Request Television, which opened Thanksgiving Day in San Jose.

Commline pulled from Omaha 26

Having decided the market doesn't warrant the investment, Cox Cable will pull its Commline high speed data transmission service out of Omaha, Neb.

C.O.M.B. debuts 34

The C.O.M.B. Value Network debuted Dec. 1 on a five-hour schedule with plans for expansion to 24-hour service by the end of next month.

TOPICS

Marketing 48

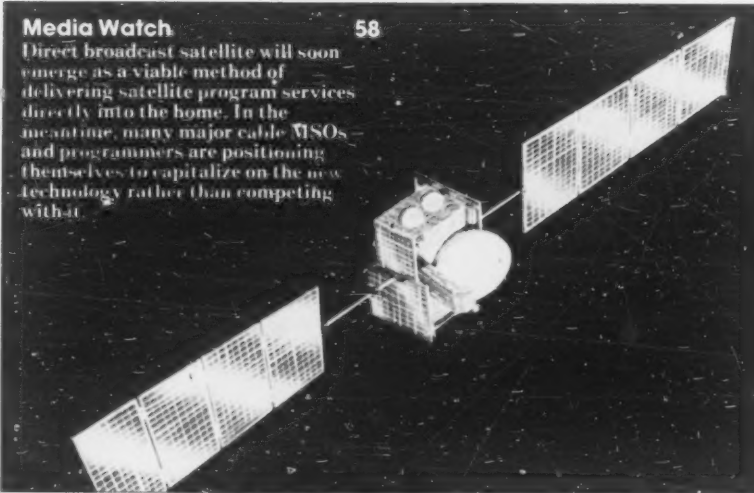
Tune-in ads are an aspect of marketing that have been somewhat ignored by cable operators in the past. That situation is changing, however, as they recognize the need for promotional advertising.



'1st and Ten' is slated for 1986 on HBO.

Media Watch 58

Direct broadcast satellite will soon emerge as a viable method of delivering satellite program services directly into the home. In the meantime, many major cable MSOs and programmers are positioning themselves to capitalize on the new technology rather than competing with it.



RCA Americom Satcom K-1.

Programming 54

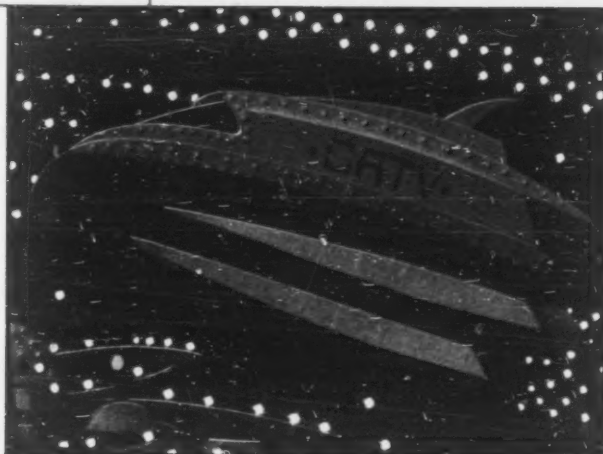
HBO executives disclosed the 1986 schedule will include comedy and music from performers who have had earlier specials on HBO or Cinemax. The network also intends to keep up its schedule for Premiere films with about 10 titles set for release.

On Demand 70

While some operators try to discourage spin, others are finding service switching not only benefits the subscriber, but can contribute to profits as well.

Management 76

CableData's CableComputer, "part computer, part video game" one-way addressable converter is replacing Oak converters in Roseville, Calif., after the system became the first to utilize Weststar Technologies' Videotoken Network on a wide-scale basis.



About the cover

Securing the Future is as far-fetched a goal in this uncertain world as wiring the moon, but the cable industry has no choice but to pursue the effort vigorously. Artist Chris Butler's rendering of our Western Show issue theme is his third contribution to *CableVision* show covers. The rendering was accomplished with paper cutouts, backlit and painted and then photographed.

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	220	3,600,000
Arts & Entertainment (A&E)	2,100	17,300,000
Black Entertainment Television (BET)	512	12,000,000
Cable News Network (CNN)	8,669	33,701,000
CNN Headline News	2,934	17,380,000
C-SPAN	2,000	21,000,000
CBN Cable Network	5,551	29,715,000
Commerce Satellite Network	N/A	N/A
Country Music Television	300	5,300,000
The Discovery Channel	400	8,000,000
ESPN	11,434	36,000,000
Eternal Word Television Network (EWTN)	275	4,000,000
Family Guide II Network	6	90,000
Financial News Network (FNN)	1,200	19,400,000
Home Shopping Network	324	6,200,000
The Learning Channel	700	6,000,000
Lifetime	2,000	24,000,000
Modern Satellite Network (MSN)	505	10,153,700
Music Television (MTV)	3,895	27,800,000
The Nashville Network	3,500	23,800,000
National Christian Network (NCN)	90	1,200,000
National Jewish Television (NJTV)	247	5,300,000
Nickelodeon	4,200	26,200,000
Nileve	N/A	N/A
PTL The Inspirational Network	1,200	12,500,100
Satellite Program Network (SPN)	600	11,950,000
Silent Network	250	8,400,000
SIN Television Network	304	32,758,700
Trinity Broadcasting Network	409	5,900,000
USA Network	4,200	30,600,000
Video Hits One	718	8,900,000
The Weather Channel	1,800	19,700,000
WGN-TV	7,061	16,801,000
WOR-TV	1,494	5,440,000
WPXI-TV	152	2,045,000
WTBS-TV	10,030	35,219,000

Pay services

American Express	6	60,000
American Movie Classics	140	270,000
Bravo	240	350,000
Cinemax	3,200	3,313,000
The Disney Channel	2,500	2,342,000
Gala Vision	230	100,000
Home Box Office (HBO)	6,900	14,300,000
Home Theater Network (HTN)	100	300,000
Showtime	4,200	5,400,000
The Movie Channel	4,250	3,250,000
The Nostalgia Channel	25	175,000
The Playboy Channel	580	732,000
Private Ticket	4	N/A

Audio services

Cable Radio Network	14	1,100,000
KRGO Super Jazz	N/A	N/A
Lifestyle	152	2,009,241
Lifestyle AC	13	613,426
Moody Bible Institute	57	738,108
Satellite Radio Network	30	403,000
Star Ship Stereo Inc.	75	1,115,919
Stardome	N/A	N/A
WFM Chicago	152	1,110,100

Text services

AP News Cable	325	4,300,000
AP News Plus	30	700,000
Cable Sportstracker	8	425,000
Dow Jones Cable News	156	2,575,000
Electronic Program Guide (EPG)	249	5,205,000
EPG Jr.	17	17,267
Genesis Cable Storytime	21	686,000
Reuters News View	325	3,250,000
TV Decisions	106	2,826,101
UPI Data Cable	450	4,000,000
X-Press	N/A	N/A

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Fuji Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	4	93,000
Buffalo Sabres Hockey	8	450,000
The Ecumenical Channel	6	148,000
KTVT	73	1,594,000
Life Newsvision	23	36,000
Madison Square Garden	57	1,800,000
Meadows Racing Network	14	446,000
MetroChannel	2	155,000
Newsday Cable	3	240,019
Texas Cable Network	15	800,000

Pay services

Dodgervision	40	N/A
Home Sports Entertainment - Houston/Dallas	86	135,800
Home Team Sports	60	158,000
New England Sports Network	72	53,279
PRISM-Philadelphia	86	180,000
Pro-Am Sports	94	103,000
SportsChannel (New England)	69	95,000
SportsChannel (New York)	53	433,000
SportsVision (Chicago)	29	164,000
Z Channel	23	95,000

Announced services

Satellite-fed services Expected Launch

ABC Pay-Per-View service	1st Quarter 1986
Apollo Entertainment Television	TBA
The Book Channel	1st Quarter 1986
Cabletex	TBA
C.O.M.B. Value Network	1st Quarter 1986
The Choice Channel	TBA
Discovery Computer Network	TBA
Discovery Financial Network	TBA
Discovery Music Network	TBA
El Canal Musical	4th Quarter 1985
Ethnic Radio Networks	TBA
International Business Network	4th Quarter 1985
Magicable	TBA
Movie Time	1-86
Peoples Choice	1-86
Request Television (formerly The Exchange)	11-85
Showtime TMC Pay-Per-View Network	1st Quarter 1986
Sofcast National Digital Network	1st Quarter 1986
Telstar Pay-Per-View Service	1st Quarter 1986

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable Stats, P.O. Box 5208, T.A., Denver, CO 80217.

N/A denotes not available.

TBA denotes to be announced.

1 To all SIN reach: Spanish-speaking households 4,114,400.

Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

A&E

Ajay Enterprises (R)
Armour-Dial (R)
AT&T Communications-Residential (R)
AT&T Corp. (R)
Australasian Tourism (R)
Avis (R)
Blue Diamond Almonds (N)
Bolla Wines (R)
British Airways (R)
Buick (R)
Campbell Soup (R)
Celestial Seasonings (N)
Dean Witter (R)
Ford (R)
GTE (R)
General Motors (R)
IBM (R)
Intel Cable (R)
KLM Royal Dutch Airlines (R)
Kodak (R)
Life Magazine (R)
Maxell (R)
Merrill Lynch (R)
Mitsubishi (R)
The Movie Channel (R)
National Audobon Society (R)
Pfizer Pharmaceuticals (R)
Ralston Purina (R)
Shearson Lehman (R)
Singer (R)
Tenneco (R)
Ungaro (N)
Universal Studios (R)
Visa (R)
Wyndham Hill Records (N)

BET

Ajay Enterprises (R)
Adolph Coors (R)
Anheuser-Busch (R)
AT&T (R)
CBS Records (R)
Campbell's Soup (R)
Carson Products (R)
Coca-Cola (R)
Eastman Kodak (R)
Ford (R)
HBO (R)
Hershey (R)
J.C. Penney (R)

Johnson & Johnson (R)
KFC Corp. (R)
Kraft (R)
M&M Products Co. (R)
McDonald's (R)
MGM/UA (R)
Mobil Oil (R)
Nike (R)
Pepsi-Cola (R)
Pro Care (R)
Pro-line (R)
Proctor & Gamble (R)
Quaker Oats (R)
RCA (R)
Sears Roebuck & Co. (R)
Singer (R)
Soft Sheen Products (R)
Thompson Medical (R)
U.S. Army (R)
U.S. Marine Corps (R)
U.S. Postal Service (R)
Venus De Milo (R)
Warner Bros. (R)
Warner Lambert (R)
Wendy's International Inc. (R)
William Wrigley, Jr. (R)

C-SPAN*

Centel (R)
DuPont (R)
Gannett (R)
General Instrument (R)
GM (R)
M/A-COM (R)
McDonnell Douglas (R)
Merrill Lynch (R)
Time (R)
Times Fiber (R)

Dow Jones Cable News

American Express (R)
Charles Schwab (R)
Consumer Reports (R)
Golf Digest (R)
Smithsonian Magazine (R)
Tennis Magazine (R)
Traveler's Equity Sales (R)
Zion First National Bank (R)

ESPN

BMW (N)
Chevrolet (R)
Curtes Mathes (N)
DeBeers (R)
Kodak (R)
Hitachi (R)
Members Only (R)
Mita Copiers (N)
Nikon (R)

Nissan (R)
Proctor & Gamble (R)
Sears (R)
Sports Illustrated (R)
Timex (R)

FNN

Allstate (N)
Avis (R)
AT&T (R)
Best Western (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chrysler (R)
Commodore Computers (N)
CSX Corp. (N)
Dow Jones (R)
Ford Corp. (R)
GMAC (R)
GM Corp. (R)
The Hartford Insurance (N)
Hayes Corp. (R)
Hong Kong Tourist Bureau (R)
International Trading Group (N)
InterNorth (R)
Intex (N)
ITT (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Nynex (R)
United Airlines (R)
USA Today (N)
Wall Street Journal (R)
Xerox (R)
Zion Banking (R)
Zweig Forecast (R)

The Learning Channel

Barron's (R)
Charles Schwab (R)
Investor's Daily (R)
Smithsonian Magazine (R)
Standard & Poor's (R)
Time & Life (R)
Working Woman Magazine (R)

Modern Satellite Network

American Motors (R)
Anheuser-Busch (R)
California Raisin Advisory Board (R)
Federal Reserve Board (R)
Hawaii Visitors Bureau (R)

International Paper (R)
Korean National Tourist Commission (R)
Mercedes-Benz of North America (R)
Pacific Area Travel Association (R)
Philip Morris Inc. (R)
Steelcase (R)
Tobacco Institute (R)
United Airlines (R)
Upjohn (R)
U.S. Army Corps of Engineers (R)
Washington State Apple Commission (R)

The Weather Channel

American Home Products (R)
Aris Isotoner (N)
AT&T (R)
DuPont (R)
Florida Dept. of Tourism (N)
General Motors Corp. (R)
Genie Home Products (N)
The Hartford Insurance Co. (R)
Italcable (R)
S.C. Johnson (N)
Kimberly Clark (R)
Kodak (N)
La Quinta (R)
Lee Pharmaceuticals (N)
Michelin Tire Co. (R)
Nabisco (N)
Pillsbury (N)
Plough Inc. (R)
Proctor & Gamble (R)
Prudential-Bache (R)
Puerto Rican Tourism (N)
Quaker Oats (N)
Quaker State (R)
Ralston Purina (R)
Sears Roebuck (R)
Security Chain (N)
Union Carbide (R)
United Airlines (R)
Visa (N)
Warner Lambert (R)

R denotes renewal client.

N denotes new client.

*Listing is comprised of both advertisers and program underwriters.

Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.

DECEMBER 9, 1986

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

TCI UNVEILS C-BAND DIRECT PLANS

WESTERN SHOW HIGHLIGHTS CUSTOMER SERVICE CHALLENGE

PAY PER VIEW VENDORS JOCKEY FOR POSITION

RCA ESTABLISHES NBC CABLE NEWS SUBSIDIARY

**AWARDS FOR CABLE EXCELLENCE:
HBO GARNERS 25 TROPHIES**



CableVision

LEADING THE WEEK

TCI is first 11

Offering a package of 10 basic and five premium programming services, Tele-Communications Inc. has become the first cable operator to develop a strategy for marketing scrambled programming to owners of C-band back-yard dish owners.

Pay-Per-View talk 12

Pay-per-view was the hot topic at the 17th annual Western Show, with several companies making major PPV announcements and operators expressing enthusiasm for the future of PPV as a source of revenue.

Meeting the challenge 12

"... the challenge is to improve the job, of customer service, of answering our phone, of sending out a correct bill, of having good signals at the home," according to Falcon Communications President Marc Nathanson during the opening panel of the 17th annual Western Show.

Another player 14

NBC Cable News is looking to offer head-to-head competition for CNN and CNN Headline News by promising a no-nonsense approach to news and five-year rate protection to MSOs.

Disney, USA to scramble 16

The Disney Channel and USA Network have announced that they will scramble their signals using M/A-COM's VideoCipher II technology, with both services looking to scramble through M/A-COM's DBS Control Center.

For investment purposes 16

As the dust settled on last week's market activity in Viacom common shares, it was revealed that two executives of JMB Realty own 13.45 percent of Viacom's outstanding stock.

Pole attachments 19

Recent U.S. Court of Appeals decisions on cable television pole attachments could cost the industry hundreds of millions of dollars, according to panelists at the Western Show.

Compulsory license 20

Calling it "one of the last roadblocks to deregulation," FCC Commissioner Dennis Patrick discussed his advocacy of a repeal of the compulsory license at a luncheon gathering of the Western Show.

AMC pushes for one million 28

With recent new affiliate agreements with five major MSOs and its extensive new marketing campaign, Rainbow Program Enterprises is looking for its American Movie Classics to reach the one million subscriber mark within the year with such titles as *Lolita*.

TOPICS

On Demand 32

In a move to get operators to try out their products, Jerrold and Business Systems Inc., have said they will begin providing turnkey pay-per-view set-ups, with no capital investment charges.

In June AT&T will establish a toll-free 800 number exclusively for pay-per-view order entry which will be tested in Viacom's 36,000 addressable sub-Milwaukee system offering Viewer's Choice PPV programming.

Marketing/Advertising 36

The need for cable operators to reassess their business practices to reflect the marketing challenge which confronts them, as well as how to project revenues and allocate funds to start up a local ad sales department were the thrusts of two panels at the Western Show this past week.

Business 37

The consensus of a panel examining industry trends at last week's Western Show is that today's largest MSOs will continue to acquire more system until the industry is controlled by a group of 25 major operators.

Departments

Programming	22
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On the cover

Shelley Duvall and Joe Piscopo co-hosted the seventh annual Awards for Cable Excellence under the auspices of the National Academy of Cable Programming. In all, ACEs were presented in 43 categories at the ceremony at the Beverly Theatre in Beverly Hills. HBO came away the top network winner with 25 awards.

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985E	86,000,000	64,500,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProfile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH

Cable barometer

Television households (TVHH)	84,233,330
Homes passed by cable (HP)	58,274,000
Percent of TVHH passed by cable	69.2%
Basic cable subs	32,761,000
Percent of TVHH with basic cable	38.9%
Percent of HP with basic cable	56.2%
Pay cable subs	19,624,000
Percent of TVHH with pay cable	23.3%
Percent of HP with pay cable	33.7%
Percent of basic subs with pay cable	59.9%

Source: CableProfile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
CHN Cable Network	8
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	3
Genesis Storytime	8
HBO (West)	13
HTN	16
Home Shopping Network	22
The Learning Channel	16
Lifetime	37
MSX - The Information Channel	22
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Router Monitor Service	18
Seeburg Lifestyle Music	3
Showtime (West)	10
SPN	6
StudioLine	19
TV Decisions	24
The Learning Channel	16
Trinity Broadcasting Network	3
USA Cable Network	9
(during blackout)	22
Video Hits One	15
Viewer's Choice	5
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
Biznet	6
Bravo	2
Commerce Satellite Network	3
Home Sports Entertainment	11
Home Team Sports	22
Madison Square Garden	6
National Christian Network	7
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
Odyssey	23
The Playboy Channel	12
The Silent Network	16
SportVision	9
WPXI - New York	19

Westar III (Western Union)

Transponder

CNN	5
-----	---

Westar IV (Western Union)

Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	31
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Westar V (Western Union)

Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
The Meadows Racing Network	22
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

American Ectasy	19
Country Music Television (CMTV)	18
KTVT (Dallas)	22
SoloTV	14

Galaxy I (Hughes)

CHN Cable Network	11
Cinemax (East)	19
CNN	7
CNN Headline News	6
CSPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Showtime (East)	5
SIN	6
StudioLine	13
WGN	3
WOR-TV	15
WTRN	18

Spacenet I (GTE)

ACTS	15
------	----

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1	Tele-Communications Inc.	3,660,008
2	American Television and Communications Corp.	2,500,000
3	Group W Cable	2,162,000
4	Storer Cable Communications	1,721,000
5	Cox Cable Communications	1,475,047
6	Warner-Amex Cable Communications Inc.	1,378,800
7	Continental Cablevision	1,364,000
8	Times Mirror Cable Television Inc.	996,606
9	United Cable Television	910,000
10	Newhouse Broadcasting	927,000
11	Viacom Cablevision	820,000
12	UACable Systems Corp.	711,000
13	Sannitex Communications Inc.	660,000
14	Cablevision Co.	591,911
15	Rogers Cable Systems Inc.	586,800
16	Heritage Communications Inc.	581,450
17	Jones Interable Inc.	574,084
18	Comcast Cable Communications	555,790
19	Telecable Corp.	445,000
20	Met-Cox Communications	392,000
21	Capital Cities Cable Inc.	374,808
22	Prime Cable Corp.	331,226
23	American Cable Systems Corp.	317,604
24	Wometex Cable TV Inc.	308,427
25	Central Cable Television Company	303,316
26	New Channels Corp.	299,981
27	Danvers & Associates	292,492
28	TV Group	272,160
29	Cablevision Industries	260,741
30	Multimedia Cablevision Inc.	248,061
31	Nationwide Cable TV Ltd.	241,497
32	Falcon Cable TV	210,000
33	Scorpio Howard	214,111
34	TeleScripps	209,000
35	Tribune Cable Communications	218,124
36	Colony Communications Inc.	216,020
37	Adelphi Communications	198,000
38	Bollins Cablevision Inc.	195,408
39	Centex Communications Corp.	192,000
40	Service Electric Cable TV Inc.	180,000
41	Communications Service Inc.	179,000
42	Western Communications	175,841
43	TKR Cable Co.	169,000
44	CableNet/Entertainment	166,000
45	TCL Telf	164,000
46	Sutton Capital Group	160,218
47	Adams-Russell Communications	149,992
48	Harte-Hanks Communications	140,509
49	Harris Communications	136,844
50	Elken & Associates	130,671
51	Buckeye Cablevision	122,925
52	Harris Cable Corp.	119,301
53	Midwest Video Corp.	118,092
54	Lenfest Group	114,902
55	Greater Media Cable	111,401
56	Televents Inc.	112,000
57	Armstrong Utilities	112,291
58	Summit Communications	102,000
59	U.S. Cable Corp.	98,000
60	Concom Cable Associates Inc.	95,240
61	Communications Systems Inc.	94,000
62	Multichannel TV Cable Inc.	93,200
63	Comcast Communications	90,902
64	McDonald Group	90,079
65	King VideoCable Co.	87,394
66	The Essex Group	85,000
67	Booth Communications	85,482
68	McClatchy Newspapers	81,753
69	Media General Corp.	81,428
70	WEHCO Video Inc.	80,692
71	Marys Communications	80,604
72	Panner Communications	80,449
73	Perry Cable TV Corp.	80,146
74	Cable Management Associates	77,091
75	Sonic Communications	74,316
76	Omiga Communications	74,211
77	Midcontinent Cable Systems Co.	73,215
78	Susquehanna Broadcasting	70,528
79	Pegor Services Inc.	69,113
80	Clear TV Cable Associates Ltd.	69,488
81	Omni Cable TV Inc.	68,469
82	Sekura Communications	68,136
83	National Telecommunications Corp.	68,000
84	Marsh Media	57,698
85	Holcom Corp.	55,000
86	Northland Communications Corp.	53,000
87	The Daily Press	53,000
88	Massa Corp.	51,900
89	Acton Corp.	51,268
90	United Video Management	50,803
91	First Carolina Communications Inc.	49,429
92	Communicon	47,694
93	Wisconsin Cablevision and Radio Co. Inc.	47,444
94	Tele-Media	44,000
95	Bresnan Communications	44,476
96	Joseph Gans Cable TV	43,838
97	State Cable TV	43,640
98	Chamber Communications Corporation	43,066
99	Domex Cablevision	41,792
100	Cable Holdings Inc.	40,200

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cablevision, Attention Cable Stats, P.O. Box 5208 T.A., Denver CO 80217.

Top 100 systems

Rank	Location	Operator	Basic subs
1	San Diego, CA	Cox Cable	239,290
2	Woodbury (Long Island), NY	Cablevision Co.	242,014
3	Manhattan, NY	ATC	206,000
4	Florida Division	ATC	193,700
5	Orlando/Orlando Beach	Rogers Cable Systems	190,076
6	San Antonio, TX	Warner-Amex	189,000
7	East Orange, NJ	Nationwide	174,911
8	Honolulu, HI	ATC	156,490
9	Phoenix, AZ	Times Mirror	152,000
10	Louisville/Jeff Co., KY	Storer Communications	149,339
11	Wayne, NJ	UACable Systems	140,000
12	Cincinnati, OH	Warner-Amex	131,000
13	Tulsa, OK	United Cable	130,000
14	Englewood, CO	United Cable	124,000
15	Plainville/Hartford	United Cable	120,000
16	Manhattan, NY	Group W Cable	120,400
17	Auburn, NJ	New York Times	119,137
18	Vallejo/San Rafael, CA	Cox Cable	118,473
19	Atlanta, GA	Prime Cable	117,600
20	Buffalo, NY	ATC	117,300
21	Baltimore County, MD	Comcast Cable	117,000
22	One County, NY	Prime Cable Corp.	115,000
23	Jacksonville, FL	Continental	110,000
24	Seattle, WA	Group W	108,500
25	San Jose, CA	Cable Industries	107,200
26	Memphis, TN	ATC	106,300
27	Tulsa, OH	Backeye Cablevision	104,000
28	Central Islip/Long Island, NY	Viacom	103,000
29	San Juan, PR	Harris Cable Corp.	103,875
30	Austin, TX	ATC	102,700
31	Quebec, QC	ATC	102,300
32	Jefferson Parish/Kenner, LA	Cox Cable	96,929
33	San Francisco, CA	Viacom	93,000
34	San Diego, CA	ATC	92,100
35	Seattle, WA	TKR Cable	91,000
36	Warren, NJ	Heritage	90,500
37	Hughes, TX	Heritage	90,100
38	Los Angeles, CA	Heritage Communications	88,132
39	Washington, DC	Heritage	87,000
40	Grand Rapids, MI	UACable Systems	85,000
41	Pompano, FL	American Cablevision	80,800
42	Cablevision, MS	ATC	80,700
43	Marblehead, MA	Multimedia Cablevision	80,128
44	Dayton/Brown, OH	Storer Cable	79,707
45	Pittsburgh, PA	Telecommunications Inc.	79,648
46	New Orleans, LA	Cox Cable	78,037
47	Cleveside, FL	Vision Cable	78,000
48	Boston, MA	Telecommunications	75,024
49	Baton Rouge, LA	Danvers & Associates	75,007
50	Bedford/Henry, VA	Continental	72,200
51	South Texas, TX	Heritage Communications	72,008
52	Flint, MI	Comcast Cable	72,000
53	Indianapolis, IN	Indianapolis Cablevision	72,196
54	Tacoma, WA	Cable TV of Puget Sound	72,430
55	Cleveland Heights, OH	Viacom	70,000
56	Greenville, SC	Heritage	69,240
57	South Bend, IN	Heritage Communications	69,011
58	San Antonio, CA	Group W	68,000
59	Fort Lee, VA	Media General	67,705
60	Omaha, NE	Cox Cable	65,810
61	Raleigh, NC	ATC	65,800
62	Nashville, TN	Viacom	65,000
63	Kansas City, MO	ATC	64,800
64	Columbus, OH	Warner-Amex	64,679
65	St. Petersburg, FL	Group W	64,500
66	Buffalo, NY	Telecommunications Inc.	63,998
67	Alex, OH	Warner-Amex	63,500
68	Boston/Complex/Malden, MA	Warner-Amex	63,000
69	Hartford, CT	Times Mirror Cable	62,882
70	Monterey, CA	Western Communications	62,847
71	Longmont, NY	New Channels Corp.	62,814
72	Syracuse/Schubert, NY	New Channels Corp.	62,814
73	Oakland City, OH	Cox Cable	62,711
74	Fayetteville, NC	ATC	62,100
75	Abingdon, PA	Service Electric	62,000
76	El Paso, TX	Group W	62,000
77	Las Vegas, NV	Times Mirror Cable	61,892
78	Madison, WI	Telecommunications Inc.	61,255
79	Shoshone County, WA	Viacom	61,000
80	New Haven, CT	Storer Cable	60,682
81	Sarasota, FL	Storer Cable	60,603
82	Albany, GA	Storer Cable	60,251
83	West Palm Beach, FL	Group W	60,000
84	MI Prospect, IL	CableNet	60,000
85	Sarasota, FL	Storer Cable	59,967
86	Santa Barbara, CA	Cox Cable	59,912
87	Des Moines, IA	Heritage Communications	59,189
88	Herrington, AL	ATC	59,100
89	Fl. Worth, TX	Sammons Communications	59,000
90	Oakland County, MI	United Cable	58,000
91	Harrisburg, PA	Sammons Communications	58,000
92	New Britain, CT	United Cable	58,282
93	Bridgeport, CT	Cablevision Co.	57,886
94	Indianapolis, IN	ATC	57,100
95	Charleston, S.C.	Storer Cable	56,869
96	Chicago/South	Cablevision Co.	56,700
97	Albuquerque, NM	Tribune Cable	56,705
98	Stamford/Hartford, CT	Cablevision Co.	56,364
99	Westchester County	UACable Systems	56,000
100	Chatsworth, CA	Valley Cable	55,904

DECEMBER 16, 1985

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

CABLE COMING TO NEW YORK'S OUTER BOROUGHES

WESTINGHOUSE GIVES GROUP EXCLUSIVE NEGOTIATING RIGHTS

JONES BUYS NINE TRIBUNE SYSTEMS

NCTA PLANS HARD-LINE STAND IN MUST-CARRY DISCUSSIONS

BRAVO AT FIVE: SPIRITED GROWTH VIA WINGS OF CULTURE



CableVision

LEADING THE WEEK

Cable arrives in Queens 11

Serving 200 homes initially, with 4,000 more homes eligible for immediate wiring, Warner Amex will debut its system serving the New York City borough of Queens this week.

Group W winners 11

Westinghouse has granted Time, TCI and Comcast exclusive negotiating rights for control of Group W's 2.1 million subscribers.

Jones makes big buy 12

Nine systems, 170,000 subscribers and \$237.5 million later, Jones Intercable

will elevate to the 12th largest MSO position after purchasing the property from Tribune Cable.

Barden obtains financing 13

Barden Communications has secured financing to begin construction in Detroit as long as the company can get an additional \$6.5 million in concessions from the city.

Vitt Media in Canada 13

Vitt Media International will market about 800 original programming hours created by TV Ontario, one of Canada's largest independent broadcast organizations.

Must-carry update 14

While President James Mooney holds that the NCTA will maintain a hard line during must-carry talks with broadcasting now in session, CATA's Steve Effros proposed contracts to avoid federal government intervention.

Western Show '85 16

With "Meeting the Challenge" as the official theme, the 1985 Western Show set the stage for discussion of such major issues facing the cable industry as the prominent trend toward system mergers.

TOPICS

Programming 19

Music from Motown stars, Aretha Franklin and Julian and John Lennon will dominate Showtime's 1986 original programming schedule. Showtime also plans to double its 1985 feature film output with movies such as *The Slow Burn* now in production.

Marketing 20

United Cable's marketing campaign in Boise, Idaho, introducing Cinemax, an across-the-board rate increase and an HBO upgrade promotion, has increased the system's numbers substantially.

New Business 21

Panelists at a recent Western Show forum conceded that data communications services via cable still suffer from an uncertain regulatory environment. One panelist, however,

feels the cable industry must plunge into two-way data within the next year or risk losing it.

Another panel at the Western Show, "Scrambling for Success," discussed the continuing debate over the scrambling of satellite signals.

Business 23

At a PaineWebber seminar in New York operators informed industry analysts that increasing revenues, coupled with lower operating costs through consolidation and improved technologies, should result in higher earnings next year.

Cable networks must be prepared to invest a lot of money in original programming to keep a hold on the television market, according to representatives at a Western Show seminar.

Departments

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Cover story 18

Bravo celebrates its fifth anniversary in cable television this month. During its reign, the service, which boasts 360,000 subscribers, has brought numerous movies and original programming to the screen, including programs such as those shown on the cover (from left) *Swann In Love*, with Jeremy Irons portraying an upper class Frenchman in love with a courtesan, *The Four Seasons* ballet performed by the National Royal Ballet of Marseilles, and *Jazz Counterpoint* with jazz pianist Ramsey Lewis and host Billy Taylor.

CABLE STATS

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next three months.

January

Movie/Event	Source
Beaver Hills Cop (R) MPAA Rating: R Cast: Eddie Murphy, Lisa L. Williams, George Hamilton, Patricia Richardson Running Time: 90 mins	Paramount
The Bride (R) MPAA Rating: R Cast: Wesley Snipes, Dennis Quaid, Jonathan Demme, Philip Clark, Thomas Running Time: 108 mins	Columbia
Frisky Night (R) MPAA Rating: R Cast: Victor Serrano, William Shatner, Linda Kozlowski, Jennifer O'Hara Running Time: 90 mins	Universal
Gremlins (G) MPAA Rating: G Cast: Zach Galligan, Frank Oz, John Wood, David Warner, John Wood Running Time: 90 mins	Warner Bros.
The Legend of Billie Jean (G) MPAA Rating: G Cast: Helen Slater, Christopher Reeve, Kevin Costner, Michael Keaton Running Time: 90 mins	TriStar
Lost In America (R) MPAA Rating: R Cast: John Cusack, John Goodman, John Goodman Running Time: 90 mins	Warner Bros.
Red Sonja (R) MPAA Rating: R Cast: Michael Biehn, Christopher Penn, Christopher Penn Running Time: 90 mins	MGM/UA
Ten Wolf (R) MPAA Rating: R Cast: Michael J. Fox, James Hampton, Scott Fenton, Jay T. Taylor Running Time: 90 mins	Paramount
Vision Quest (R) MPAA Rating: R Cast: Matthew Moore, Linda Fiorentino, Madonna, Michael Scott, William Running Time: 90 mins	Warner Bros.
Warning Sign (R) MPAA Rating: R Cast: Sam Worthington, Kathleen Quinlan, Yaphet Kato, Jeffrey De Munn Running Time: 90 mins	20th Century Fox

February

Agnes of God (R) MPAA Rating: R Cast: Faye Dunaway, Agnes Barnette, Mag. Time Running Time: 90 mins	Columbia
Jagged Edge (R) MPAA Rating: R Cast: Glenn Close, Jeff Bridges, Peter Onorati, Robert Loggia Running Time: 108 mins	Columbia
Key Exchange (R) MPAA Rating: R Cast: Brooke Adams, Seth Allen, Sandra Bullock, Ken Marino Running Time: 90 mins	20th Century Fox
The Ninth Configuration (R) MPAA Rating: R Cast: Stacy Keach, Scott Wilson, Jason Miller, Ed Flanders Running Time: 108 mins	New World
Pale Rider (R) MPAA Rating: R Cast: Clint Eastwood, Michael Moriarty, Larry Shogren, Christopher Penn Running Time: 110 mins	Warner Bros.
Real Genius (R) MPAA Rating: R Cast: Val Kilmer, Gabe Jarrell, Michelle Meyrink, William Atherton Running Time: 109 mins	TriStar

Source

Return to Oz (G) MPAA Rating: G Cast: Fanny Ardant, Peter Fink, David Warner, William Shatner Running Time: 90 mins	Disney
Scary Places (R) MPAA Rating: R Cast: Mark Hamill, David Warner, Linda Kozlowski, Christopher Penn Running Time: 90 mins	20th Century Fox
Standalone (R) MPAA Rating: R Cast: Christopher Penn, Christopher Penn, Christopher Penn Running Time: 90 mins	New World
The Stud (R) MPAA Rating: R Cast: Anthony Quinn, Michael Scott, Christopher Penn Running Time: 90 mins	New World
Summer Rental (R) MPAA Rating: R Cast: James Van Der Beek, Christopher Penn, Christopher Penn Running Time: 90 mins	Paramount
Year of the Dragon (R) MPAA Rating: R Cast: Mickey Rourke, John Lone, Kato Running Time: 110 mins	MGM/UA

March

Commando (R) MPAA Rating: R Cast: Arnold Schwarzenegger, Lee Deane, George Yule, Victor Wong Running Time: 90 mins	20th Century Fox
Mad Max Beyond Thunderdome (R) MPAA Rating: R Cast: Mel Gibson, Tim Fether Running Time: 90 mins	Warner Bros.
Transcendental 2000 (R) MPAA Rating: R Cast: Jeff Bridges, Lee Deane, Christopher Penn, Christopher Penn Running Time: 90 mins	New World

Note: Running times are approximate.

Film information provided by International Thomson Corporation, Inc. (ITC).



Sam Worthington and Kathleen Quinlan star in the adventure thriller "Warning Sign."

Franchising calendar

This chart examines the franchise status of communities since December 1985.

California

Cerritos—request for proposals issued.
Chino—award to Marsh Media.
Claremont—tentative agreements to award franchise to Masada Corp.
East Yuba—award to Sonic Cable 7.85 (10,000 homes).
La Puente—award to United Cable 11.28.84 (8,000 homes).
Los Altos—award to United Cable 12.84 (9,000 homes).
Palo Alto—award to Cable Communications Cooperative of Palo Alto.
Rosemead—award to Falcen Communications 2.26.85 (1,000 homes).
South Monrovia—award to Falcen Communications 9.15.85 (3,400 homes).

Delaware

Wilmington—commission's recommendation under review by City Council.

District of Columbia

Washington, D.C.—award to District Cablevision 7.10.84 (251,000 homes).

Illinois

Chicago—Area Award to Communications and Cable (300,000 homes).
Countryside—award to Cablevision of Chicago 6.13.84 (2,200 homes).
Elmwood Park—award to Continental Cable 12.17.84 (9,300 homes).
Naperville—award to Rite Cable Co. of Illinois Limited. Rite Cable of Illinois also awarded unincorporated areas of DuPage County (17,500 homes).
St. Charles, Geneva—award to Centel 7.2.84 (10,000 homes).
Wheaton—award to Centel 7.2.84 (16,000 homes).
Winnetka—survey showed interest in cable insufficient to warrant franchise.
Woodbridge—terminated franchising process (260 homes).

Kentucky

Fulton—award to TCI 12.13.84 (2,400 homes).
Loretto—terminated franchise process.
New Haven—award to First PIC.

Maryland

Baltimore—award to United Cable 12.19.84 (302,000 homes).

Massachusetts

Belchertown—negotiations with Clearview Cable completed; preliminary award expected.

Belmont—accepting proposals. Public hearing scheduled 8.13.85 (2,760 homes).

Lincoln—bids due 10.18.85 award expected.

Marblehead—award to Continental Cable 12.84.

Methuen—awarded to Massachusetts Cablevision Inc.

Mendon—award to Massachusetts Cablevision Systems 1.7.85 (2,200 homes).

Middleborough—award to Continental Cablevision 5.14.84 (3,834 homes).

Nahant—reviewing proposals from Continental Cablevision and Nashoba Communications.

Rochester—final hearings in progress on proposal from American Cable.

Sandwich—award to Campbell Communications (5,000 homes).

Seekonk—award to Massachusetts Cablevision 6.85 (6,000 homes).

Shirley—provisional license granted to Nashoba Cablevision 10.84. Reviewing contract (1,827 homes).

Southborough—award to Greater Worcester Cablevision 8.13.85.

Sterling—award to Wachusett Cablevision (2,000 homes).

Stow—provisional license to Adams-Russell 9.84 (1,600 homes).

Townsend—provisional license to Nashoba Communications Inc.

New Jersey

Jersey City—moving ahead on municipal ownership despite lawsuit by

Controlled Cable originally granted franchise.

Patterson—reviewing U.S. Cable joint venture application.

New York

Mt. Upton—terminated franchise process.

North Salem—award to Community Cable Services 12.84 (1,100 homes).

Portland—cable committee formed to begin franchise process. Tribune Cable.

Harborview and U.S. Cable sent letters expressing interest (150 homes).

Rhode Island

Naval Education and Training Center—accepting proposals (2,900 homes).

Newport (Area 7 includes Middletown, Portsmouth, Tiverton, Little Compton)

—Bellevue Cablevision Inc. awarded franchise (29,500 homes).

Washington

Rattle Ground—new ordinance drafted. Soliciting interest from operators.

Seattle—city is divided into four parts. Group W, Viacom and Seattle Community Cablevision serve overlapping sections of three parts; part IV is beginning franchising process.

Franchising in the top 50 markets

Rank	Market	Status of core city	Rank	Market	Status of core city	Rank	Market	Status of core city
1	New York	Multicore—20P under construction	22	Indianapolis	Two systems OP	40	Charleston	Two systems OP
2	Los Angeles	City is divided into 14 areas: A to J (OP), K (P)	23	Portland	Three systems OP	41	Hartford	Four systems OP
3	Chicago	City is divided into five areas: Area I (OP), Area II (OP), Area III (OP), Area IV (OP), Area V (OP)	24	Phoenix	Three systems OP	42	New York	Four systems OP
4	Philadelphia	City is divided into four areas: Area I (OP), Area II (OP), Area III (OP), Area IV (OP)	25	Hartford	Two systems OP	43	New York	Four systems OP
5	San Francisco	OP (systems to be upgraded)	26	New Haven	OP	44	Hartford	Four systems OP
6	Boston	OP	27	San Diego	Two systems OP	45	Lebanon, Conn.	Four systems OP
7	Detroit	OP	28	Kansas City	OP	46	Waco, Texas	Two systems OP
8	Washington, D.C.	OP	29	Milwaukee	OP	47	Albany, N.Y.	Three systems OP
9	Cleveland	OP	30	Nashville	OP	48	Troy	Two systems OP
10	Dallas-Ft. Worth	Two systems OP	31	Charlotte	OP			
11	Houston	Two systems OP	32	Buffalo	OP			
12	Pittsburgh	OP	33	Providence	OP/OP			
13	Miami	OP	34	New Bedford	Two systems OP			
14	Seattle-Tacoma	City is divided into five parts: A to E (OP), F (OP), Tacoma (OP)	35	Daytona Beach	Two systems OP			
15	Minneapolis-St. Paul	OP	36	New Orleans	OP			
16	Atlanta	OP	37	Memphis	OP			
17	St. Louis	OP/OP	38	Columbus	Four systems OP			
18	Tampa-St. Petersburg	OP/OP	39	Greenville, Ark.	Two systems OP			
19	Denver	OP	40	Grand Rapids	Three systems OP			
20	Baltimore	OP	41	Birmingham	OP			
21	Sacramento	OP/OP	42	Raleigh-Durham	Two systems OP			
	Stockton	OP	43	Oakland	Two systems OP			
			44	Louisville	Two systems OP			
			45	Salt Lake City	OP			
			46	San Antonio	OP			

Legend

OP — operational
UC — under construction
FG — franchise granted
EP — franchise pending
PS — proposal submitted
RP — request for proposals issued
RPP — request for proposals pending
MC — considering municipal ownership
BP — beginning process

Source: International Thomson Communications Inc.

DECEMBER 23/30 1985

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

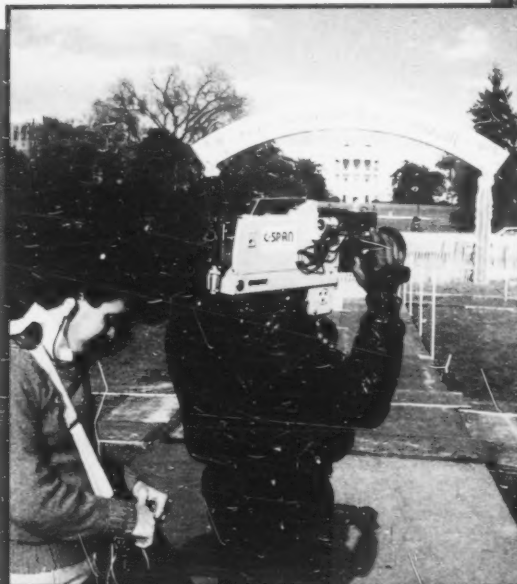
CABLE RATED TOP GROWTH MEDIUM

HBO ENTERING DBS IN JOINT VENTURE WITH RCA

TCI BACKS AWAY FROM NBC CABLE NEWS

CABLE NETS NIX CORPORATE VIDEOS

**LOOKING BACK ON '85:
COURTS, PRICING & PPV**



Happy Holidays



CableVision

LEADING THE WEEK

Cable survey 11

Cable is looking good, according to a survey by Veronis, Suhler & Associates, with a few exceptions.

Taxing reforms 12

While providing a few opportunities, the tax reform bill passed in the House of Representatives last week presents mostly challenges to the financial ingenuity and profitability of the cable industry.

Videos vetoed 14

Advertisers may be disappointed to find corporate-sponsored music videos time has not come.

Barden gets go-ahead 16

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On the cover

C-SPAN's Garney Gary (left) and Sean Heery shoot the "Pageant of Peace" Christmas celebration and the national Christmas tree in Washington, D.C. C-SPAN tapes these national Christmas events each year to include in its public affairs programs.

MARKETING

1985 Rate Survey

Pay prices hold; basic inches up

Charging more for basic and the same or slightly less for premium services sums up the cable industry's response to a new, partially deregulated environment in 1985.

Among 10 cable systems surveyed for this article, the price of an 18 to 43-channel lineup, not including optional pay services, was about \$13.48 on the average in December 1985, representing an increase of \$1.14 over a year ago. The price of single pay service, \$12.12 on the average, decreased slightly in the same survey, while the price of two channels stayed the same, in most cases, at roughly \$10 each.

While it was clearer than ever that operators had reached a ceiling on what they could charge for Home Box Office, Showtime, Cinemax, The Movie Channel or Disney, most took the 5 percent increase allowed by law on basic cable. In California, where state law is more liberal than the rest of the country, one operator hiked basic prices by 21 percent this year and lowered the price of one pay by \$1.

Nearly every one intends to take another 5 percent in 1986. Beyond 1987, when the rate deregulation provision of the national cable policy act goes into effect, the plans vary. Most operators say the price for basic cannot go up more than \$1 in 1987; others say they are digging in at today's prices, with most of the big hits behind them.

Judging by the collective wisdom of a dozen general managers and marketing executives questioned for this story, 1986 will be the year to hold the line on pay prices. Reflecting what most concede is an imbalance in the price of pay TV versus its value, the emphasis is off achieving revenue growth by increasing rates for premium channels. The videotape rental store phenomenon has taken its toll, and observers agree there is no longer the demand for multipay convenience that there was before.

As subscribers settle down with one or two pays, their cable-delivered satellite networks, off-airs and remotes, what operators lose in slower sales of

multiple pay channels, they'll make up in higher basic prices, improved penetration or, in some cases, by selling pay-per-view movies.

In New Jersey, NYT Cable plans to unbundle the lineup. Subscribers will be able—and encouraged—to purchase service for as little as \$5 a month. For that price, they get an addressable

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for about
43¢ a day.**



New CableVision service is even better. Choose The Apple area menu has 22 basic Cable channels, plus five first premium services of HBO, CNN, Showtime and The Disney Channel. So Apple residents have a choice of hundreds of different shows each month, right in the comfort of their homes.

There's better facts a better value than ever. 22 channels for under \$13. And the second, third and fourth premium services come by discount.

If you don't have CableVision in your home call us today. Don't miss another day of news, sports, children's programming, movies, health programs and more.

When you call, ask about our remote control device. It makes watching CableVision even more enjoyable.

Orlando 291-2500 St. Petersburg 293-7900 Sanford 322-8512

CableVision
of Central Florida

ATC promotion emphasizes value of basic cable.

Sprucer converter and 12 channels, including local origination, C-SPAN and broadcast networks. For \$2.50 more they have a choice of a five-channel "sports" service, including Lifetime, or a seven-channel family package, including CNN, MTV and CBN.

A subscriber may also purchase pay-per-view movies for a minimum monthly charge of \$2.50, without having to buy more than the basic \$5 "Antenna" service.

NYT Cable's Vice President of Marketing Bob Townsend explains the goal is to increase revenues by pushing for higher penetration (which now stands at 55 percent) and larger volume at lower margins. He is convinced that raising prices will only lower cable's reach. He wants to get the wire into the home where people can see the value of it for themselves. "Kids won't let their parents take out Nickelodeon, once it gets in," Townsend says.

You don't increase revenues by increasing the size of the package, says Townsend, but by selling more options. If you want to use the car dealer analogy, it's like persuading the customer to buy the model with the mag wheels and stereo, rather than the standard version.

Gillcable, in San Jose, Calif., is on the opposite end of the spectrum. Among the operators queried, Gillcable was the priciest, by far, charging \$21.95 for 32 channels (not including premium), an increase of \$1 over a year ago. Pay channel prices were on the high end, as well, at \$14.95 for HBO alone, \$13.95 for Showtime and \$12.95 for The Movie Channel. Gill does not offer a quantity discount. Prices do not include a remote control, which is \$33 extra annually.

Just to get cable installed for the first time costs about \$100-\$30 for the deposit, \$36 converter rental and \$33 up front for the remote.

In 1986, basic will go up another \$1 and pay channels will go up by 50 cents each, says Ben Reichmuth, vice president of marketing. He adds that Gill's superior service easily commands top dollar. At current prices, Gill has 110,000 subscribers out of 214,000 homes passed.

Reichmuth envisions revenues from pay-per-view will start to boom in the next 18 months, when the movie studios agree to release movies to cable and rental stores at the same time. "We want the same (window) as the hotels and airlines," Reichmuth says, "then we can own the blockbusters. It stabilizes the whole business."

"Redefining basic cable" is the first

step to take before deciding how to price it, says Jerry Maglio, executive vice president of marketing and programming, Daniels & Associates. His strategy is to get the price of basic cable up to between \$15 and \$25 a month, depending on the characteristics of the franchise. "I would make it an expanded value," Maglio says. "Why not say (the price) includes your choice of HBO or Disney?"

Basic cable has to be Letter to be priced higher, Maglio says, predicting that eventually, certain premium channels such as, American Movie Classics, Disney or SportsChannel, will make the transition to basic status. A long-time and vocal advocate of package pricing of multiple pay services, Maglio continues to put his theory into action with new variations of "Showcase." Aimed at reducing the price of two pays to about \$15 versus \$20 Showcase packages have been introduced in several Daniels systems.

The latest versions go on sale in Greeley, Colo., and Asheville, N.C., in March.

In Greeley, Showcase will consist of The Movie Channel, Bravo, American Movie Classics, Discovery and a choice of Disney or Cinemax for a total of \$16.95. This is not designed to push the subscriber into paying a total of more than about \$30 a month, Maglio cautions, although after 1987, increases on basic will likely be much steeper than 5 percent.

Maglio and Reichmuth may think they have plenty of leeway, but Dave Edwards, executive vice president and general manager of Rogers Cablesystems in San Antonio, Texas, is convinced he reached the maximum at \$9.45 for 43 channels of basic cable. "City officials are not the problem," Edwards says. "If the market perceives greed, your public relations suffers. It's not worth it, unless you are really desperate. My customers would rebel."

Having come into the market in 1979 with a too-low price, Edwards was forced to implement a 50 percent rate hike last year. It was an experience he never wants to go through again. Although Rogers has won them back into the fold, the system lost 10,000 subscribers out of 202,000.

One of the nation's pay-per-view pioneers, Edwards sees revenue growth ahead for that segment and will launch two new channels dedicated to pay-per-view this year. One is to be for sporting and special events only. The other, a movie channel, will consist of a single feature running continuously for 24



Mike Harrigan

hours a day. To boost sales, movie prices will be reduced to \$1 to \$4 each.

In Houston, Warner Amex is offering one of the lowest rates for two or more pays at about \$7.50 each. At the same time, it is upping the price for basic cable. As it phases out its Qube technology, Warner is equipping some 10,000 homes with Pioneer BA-5000 one-way addressable converters. Subs get 35 channels, including in-house sports channel HSE for \$14.97, and pay channels are heavily discounted compared to the rest of the system. The results are very encouraging, says Jim Auger, director of sales and marketing, who can quote profit analyses showing that while margins were lower after the conversion, the total takeout per home was up \$7 and the pay-to-basic ratio up 7 points.

Cox Cable in San Diego last summer tried to offset the blow of a \$3.17 basic rate increase with a \$1 reduction in pay. The city council didn't much like it, but subscribership stayed high. That proved, says Vic Arrington, vice president of marketing. "We were dead on." He believes the rates are correctly structured at \$14.95 for 35 channels of basic, \$10.95 for one pay, and that increases through 1986 and 1987 will be minimal.

With one year to go until Jan. 1, 1987, cable watchdogs are beginning to rail against the temptation to raise rates in giant steps. Judging by prevailing opinion, basic rates are not likely to go much higher than \$15 on the average by 1987, because even in a deregulated environment, operators think that's about as much as people are willing to pay.

Even under the official restraints of franchise agreements, cable operators have been taking increases year after

year by creating new tiers of service that skirt the law. As prices have a way of doing in the free market, cable rates, in spite of regulation, may have already reached their level.

—Victoria Gits

RATE SURVEY

Prices in parentheses are December 1984 prices. Others are current prices. Premium prices are figured on a per-channel basis

ATLANTA, Georgia

Prime Cable

Homes passed:	290,000
Miles:	3,800
Subscribers:	116,000
Addressable	
subs:	69,600
48 channels:	14.85 (13.50)
One pay:	10.50 each
2 pays:	9.00 ea. inc. remote
3 pays:	8.00 ea. inc. remote
Remotes:	4.00
2nd Sets:	10 (9 includes duplicate premiums and remotes)
Upgrades:	19.00

Cablevision of Central Florida Orlando, Melbourne, Coco Beach (ATC)

Homes passed:	335,000
Subscribers:	195,000
23 channels:	12.75 (12.30)
One pay:	11.95 each
2 pays:	8.95 each
3 pays:	7.50 each
Remotes:	4.00
2nd Sets:	2.50
Upgrades:	17.50

CHERRY HILL, N.J.

NYT Cable (New York Times Co.)

Homes passed:	235,000
Miles:	2,900
Subscribers:	130,000
Interactive:	
Addressables:	25,000
1986 Sprucer service*	

Antenna Service	
(12 channels):	\$5
Sports	
(5 channels):	\$2.50
Family	
(7 channels):	\$2.50
Front Row PPV	
converter charge	
(inc. remote):	2.50
HBO:	12.50
PRIS, SHO or	
CIN:	12.00
Disney:	9.95
CIN plus 1 pay:	10.00
CIN plus 2 pay:	8.00
2nd Set:	3.00 and 6.00
PPV movie:	3.00-5.00

(*formerly was \$10 for 24 channels)

MARKETING

DALLAS, Texas

Heritage Communications

Homes passed:	387,000
Subscribers:	87,000
65 channels:	12.95
Premiums:	6
One pay:	11.95 (12.00)
2 pays:	10.45 ea.
3 pays:	9.95 ea.
Disney:	8.95 (12.00)
Remote:	3.95
2nd Sets:	6.95 (4.00)
Upgrades:	9.95
Trip Charge:	19.95

HOUSTON, Texas

Warner Amex Houston

Homes passed:	497,000
Subscribers:	194,000

Standard Service 10,000 subs.

35 channels:	14.95, 17.95 inc. remote
One pay:	HBO, 13.60; others, 10.00
2 pays:	7.75 ea.
3 pays:	7.33 ea.

Average effective pay rate per channel: 7.76

Qube Service (30,000 subs)

42 channels:	16.95 inc. corded remote
One pay:	12.00
2 pays:	10.50 ea.
3 pays:	7.85 ea.
PPV:	3.95

Basic Cable (154,000 subs)

30 channels:	11.95 (11.00)
HBO:	13.00
SHO:	12.00
2 pays:	HBO, 13; 2nd, 11
	SHO, 1; 2nd, 10
3 pays:	13, 11, 10

Average effective pay rate per channel: \$10.80

LITTLETON, Colorado

ATC

Subscribers:	6,000
39 channels:	9.45 (9.00)
Premiums:	5
One pay:	11.95
2 pays:	9.95 ea.
3 pays:	9.95 ea.
Remotes:	4.00
2nd Sets:	3.75
Upgrade:	15.00

*Added Dis. Nash, A&E and Nick in 1985

NEW YORK CITY

Manhattan Cable (ATC)

Homes passed:	370,000
Subscribers:	190,000

'Judging by the collective wisdom of a dozen general managers and marketing executives, 1986 will be the year to hold the line on pay prices.'

Residential service

30 channels:	12.30 (11.75)
Premiums:	3
One pay:	13.50 ea.
2 pays:	11.53 ea.
3 pays:	9.67 ea.
Remote:	2 exc. w. thru pays
2nd Sets:	6
Upgrades:	10.50 (9.95)

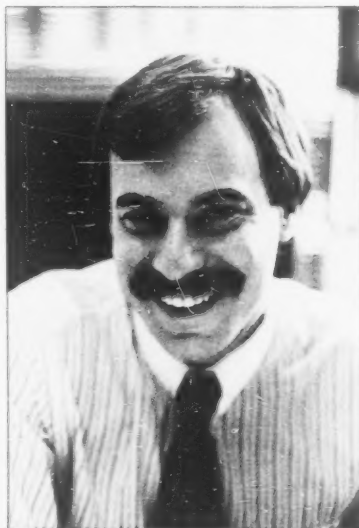
Commercial service:

30 channels:	30
One pay:	20
Restaurants:	85
Installation:	110

SAN ANTONIO, Texas

Rogers Cablesystems of Texas

Homes passed:	395,000
Miles:	3,600



Barry Rosenblum

Subscribers:	202,000
Interactive	
Boxes:	50,000
12 channels:	5.25 (5.00)
20 channels:	8.40 (8.00)
35 channels:	9.45 (9.00)
Converter	
charge:	1.05 (1.00)
Addressable converter	
charge:	6.05 (6.00)
Pay units:	303,000
Premiums:	8
One pay:	10.00 ea.
2 pays:	8.00 ea.
3 pays:	7.16 ea.
PPV Movies:	3.95 (5.00)
PPV Basketball:	5.00-7.00
Upgrades:	10.

SAN DIEGO

Cox Cable San Diego

Homes passed:	400,000
Subs:	264,000
Addressable	
subs:	128,000
35 channels:	14.95 (11.78)
Premiums:	6
One pay:	10.95 (11.95)
2 pays:	9.98 (9.98)
3 pays:	9.32 (9.65)
40 Padres	
Games:	140.00
Remotes:	3.00 (6.00)
2nd set:	2.95 and 10.95
Upgrades:	5.00

SAN JOSE, California

Gillicable

Homes passed:	214,000
Miles:	1,600
Subscribers:	110,000
Addressable	
subs:	36,000
24 channels:	16.95 (15.95)
32 channels:	21.95 (20.95)
Premiums:	9
HBO:	14.95
SHO:	13.95
TMC:	12.95
CIN, DIS, GV, PB	
BRAVO, HTN:	11.95
PPV:	4.00
PPV converter	
charge:	6.00
Remotes:	833 annually
2nd Sets:	6.75

SOUTH BEND, Indiana

Heritage Communications

Homes passed:	130,000
Miles:	1,500
Subscribers:	69,015
18 channels:	12.20 (11.65)
Premiums:	3
SHO:	11.95 (11.45)
CIN:	10.95 (10.95)
HBO:	11.45 (11.45)
Gold Star Package	
(Basic, 3 pays,	
guide):	41.00
Remote:	3.50 to 3.95
2nd Sets:	5.30 (4.95)
Upgrades:	15.00

CABLE STATS

Film product comparison—January

Film	Pay Networks	Distributor	Film	Pay Networks	Distributor
Against All Odds	(HBO) (ST) (TMC) MAX*	Columbia	Chick & Hagger	(HBO) ST* (TMC) (HTN) (MAX)	Film Galleries
All of Me	(HBO) (ST) (TMC) (HTN) MAX*	Universal	A Clockwork Orange	-	MAX
All the Right Moves	(HBO) ST (TMC) (MAX)	20th Century-Fox	Clown, The	ST	Warner Bros.
Alphabet City	(HBO) TMC*	(MAX) Atlantic TV	Comfort and Joy	TMC*	MAX
Alphabet Murders: The	ST	MGM U.A.	Conan the Destroyer	(HBO) ST (HTN) (MAX)	Universal
Amazing Mr. Blunden: The	TMC*	Excel Video	Cotton Club: The	(HBO) ST TMC	Orion
Ambassador: The	MAX	Canon Films	Crackers	(HBO) (ST) (TMC)	Universal
Amityville: The Demon	HTN	Orion	Dad	(HBO) (MAX)	Filmworks
Angel	MAX*	New World	Dams	TMC	TriStar
Angel Wars: Red: The	ST	MGM U.A.	Das Boot	TMC*	Columbia
Another Country	MAX	Orion	D.C. Cab	(HBO)* ST*	Universal
Antares	ST	20th Century-Fox	Dead Zone: The	ST*	Paramount
Apocalypse Now	(HBO) (ST) (TMC) (MAX)	MGM U.A.	Deathstalker	TMC	New Horizons
Ask Any Girl	TMC	MAX	Die Laughing	HTN	MGM U.A.
Auntie Mame	MAX*	Warner Bros.	Doris Knight's Work	TMC	Excel Video
Ballad of Gregor	HTN*	MAX	Doubtful	TMC	Columbia
Barry Lyndon	TMC	MAX	El Norte	TMC	Cineplex
Beach Girls: The	(HBO) TMC*	MAX	Emilia Gray	(HBO) ST (TMC) (TMC*)	Viacom
Beat Street	(HBO) TMC*	MAX	Escape Artist: The	ST (TMC)	Zeetrip
Being There	ST	(MAX) Lorimar	Face of a Stranger	TMC*	Warner Bros.
Bells	ST	The Music Store	Everything You	MAX	MGM U.A.
Beyond the Forest	ST	MGM U.A.	Everlasting Sun	(HBO) (MAX)	Thorn-EMI
Big Bopper: The	TMC (HTN) (MAX)	Warner Bros.	The Falcon and	MAX	Orion
Big Scary: The	(HBO) TMC	Telepictures	The Snowman	MAX	Warner Bros.
Birth: The	ST*	Embarcadero	Fandango	(HBO) TMC	Wrightwood Ent.
Black Scorpion Returns: The	(ST) TMC	MAX	Pat Chance	HTN*	Warner Bros.
Black: I'm On It	(HBO)* TMC	20th Century-Fox	Piranha 2: Rainbow	(HBO) TMC*	Warner Bros.
Blue Lagoon: The	TMC*	MAX	Two On The Mountain	HTN	Columbia
Blue Brothers: The	(ST) TMC	MAX	U.S.T.	MAX	MGM U.A.
Blue Skies Again	HTN	MAX	Follow the Fleet	MAX	RKO Pictures
Bulky Deedle	MAX	Warner Bros.	Four Friends	(HBO)	Orion
Butterflies: The	(HBO) TMC*	MAX	French Lieutenant's	ST	MAX
Brady's Escape	(HBO)* TMC*	MAX	Woman: The	ST	MGM U.A.
Brainstorm	(HBO) (TMC)	MAX	French Woman: The	ST	Film Galleries
Brass Ring: The	(TMC) (HTN)	Saturn	Friday the 13th	(MAX)	Paramount
Break 2	HTN	TriStar	A New Beginning	TMC	Paramount
Electric Boogaloo	(HBO)* TMC	Viacom	Girls of the	ST	King Features
Caged Heart	(HBO) TMC	MAX	White Orchid	ST	MGM U.A.
Champ: The	(HBO) (MAX)	MGM U.A.	Golden Arrow: The	ST	MGM U.A.
Charlie Chan and The	(HBO) (TMC)	MAX	Goodbye Girl: The	(ST) (HTN) (MAX)	MGM U.A.
Curse of Dragon Queen	(HBO) (TMC)	MAX	Happily Birthday To Me	(HBO)	Columbia
Children of the Corn	MAX	New World	History of the	MAX*	20th Century-Fox
Christina	MAX	Playboy Video	World Part I	MAX	Warner Bros.
Citizen Kane	MAX	RKO Pictures	Honeyuckle Rose	TMC	MAX
Clairvoyant: The	(HBO) TMC	20th Century-Fox	Hotel	TMC*	HTN (MAX)
			Hot Resort	TMC	MAX
			House of the	MAX*	Canon Pay TV
			Long Shadows	(HBO) TMC*	MAX
			Hysteria	(HBO) (MAX)	Viacom
			Iveman: The	(ST) (HTN) (MAX)	Cinema
			Ice Pirates: The	(HTN) (MAX)	Universal
			I Know Why The	TMC	MGM U.A.
			Caged Bird Sings	MAX	Viacom
			Incredible Shrinking	HTN	Universal
			Woman: The	TMC	Warner Bros.
			In-Law: The	ST TMC	Universal
			Into the Night	ST	Universal
			Irreconcilable	(HBO) ST* (TMC) (HTN) (MAX)	Warner Bros.
			Differences	(HBO) (TMC)	MAX
			Jigsaw Man: The	(HBO) (ST) TMC*	MAX
			Johnny Dangerous-ly	(HBO) ST*	MAX
			Joy of Flying: The	ST (TMC)	20th Century-Fox
			Just Tell Me	ST	R. Pay
			Just What You	(HBO) ST*	Paramount
			Just the Way You Are	(HBO) TMC	Warner Bros.
			Kelly	ST	MGM U.A.
			Kid	ST	Paramount
			King David	ST	Backlundberg
			Ladybug, Ladybug	ST	Paramount
			Lady On the Bus	MAX	MGM U.A.
			Lesser	(HBO) ST TMC	MAX
			East American	(HBO) (TMC)	Warner Bros.
			Virgin: The	(HBO) (TMC)	MAX
			Last Time I Saw	(HBO) TMC	Viacom
			Paris: The	(HBO) TMC	MGM U.A.
			Learning Tree: The	(HBO) (ST) TMC	Warner Bros.
			Let's Spend the	HTN*	Embarcadero
			Night Together	(HBO) (ST) TMC	Warner Bros.
			Life On Earth	(HBO)* (ST) TMC	Universal
			Lonely Guy: The	(HBO) TMC*	MAX
			Lost and Found	(HBO) TMC*	Columbia
			Loveliness	(HBO) TMC*	TriStar
			Major Barbara	TMC*	MAX
			Man In The Wilderness	TMC*	New Century
			Man Who Knew	(HTN)	Warner Bros.



'The Cotton Club,' starring Diane Lane and Richard Gere, makes its pay cable debut in January.



'2010' starring Keir Dullea makes its pay cable debut in January.

Film Pay Networks Distributor

Too Much, The	TMC*	HTN*	Universal
Man Who Saw Tomorrow		HTN	Warner Bros.
Marcia's Lovers	HBO	TMC	Cannon Pay TV
Martin & Day	HBO		MGM/UA
Mass Appeal	HBO	TMC*	Universal
McCabe & Mrs. Miller		TMC	Warner Bros.
Metalstorm: The Destruction of Giant Serp	HBO	HTN*	Universal
Mick & Maude	HBO	(MAX)	Columbia
Mistress Pamela		ST	International
Misunderstood	HBO	TMC	MGM/UA
Monty Python's: The Meaning of Life	HBO	ST	Universal
Moon Over Miami		ST	20th Century-Fox
Murder On The Hudson	HBO	ST	Columbia
Murrow	HBO	ST	Trips Productions
My Favorite Year		ST	MAX
Mystery Mansion 1918	HBO*	TMC	PTE
1990: The Bronx Warriors		TMC	Film Gallery
910-5		ST	U.F.D.
Naked Face: The New York Nights	HBO	ST	20th Century-Fox
Night In Heaven, A		ST	Cannon Pay TV
Nightmare on Elm Street	HBO	ST	International
Night of the Comet	HBO	ST	20th Century-Fox
Norma Rae		ST	New Line Cinema
North Dallas Forty		ST	Atlanta
Oh, God! Book II		ST	20th Century-Fox
Oh, God! You Devil	HBO	ST	MAX
Once Upon A Time in America	HBO	ST	Paramount
One From The Heart		ST	Warner Bros.
One Heavenly Night		ST	Warner Bros.
On the Town		TMC*	MAX
Over the Brooklyn Bridge			MAX
Paradise Case: The Paradise	HBO		Cannon Films
Passage to India, A			ABC Video
Phar Lap	HBO	ST	Embusay
Philadelphia			Columbia
Experiment, The	HBO		20th Century-Fox
Porky's			MAX
Princess & the Pirate, The		ST	New World
Protocol	HBO	ST	20th Century-Fox
Raiders of the Lost Ark		ST	Goldwyn
Rare Breed	HBO	TMC*	Warner Bros.
Razorback		TMC*	HTN
Reckless			MAX
Repo Man		ST*	MGM/UA
Right Stuff, The	HBO	ST	Universal

River: The	HBO	ST	TMC	HTN	Universal
River Niger: The			TMC		Universal
Robot of Thunder			TMC		Universal
Road to Nowhere			TMC		Universal
Romancing the Stone	HBO	ST	TMC	MAX	20th Century-Fox
Romantic Comedy	HBO	ST	TMC	HTN	MAX
Rope			TMC	HTN*	Universal
Roadhouse Beach House	HBO	ST			MAX
Royal Wedding			TMC	MAX	MGM/UA
Rumble Fish			TMC	MAX	Universal
Rumors	HBO			MAX	Ts. Star
Saboteur		ST*			Universal
Savage Attraction		ST*			New World
Savannah Smiles	HBO		TMC		Embusay
Scandalous	HBO*				Embusay
Sensuous Nurse: The				MAX	Cannon Film
Seven Hills of Rome: The		ST		HTN	MGM/UA
Seven Magnificent					MAX
Gladiators: The	HBO				MAX
Sex Games of					MAX
The Very Rich					MAX
Sherna	HBO				MAX
Shining: The		ST	TMC	MAX	Warner Bros.
Sirge			TMC		Warner Bros.
Slackground	HBO				Warner Bros.
Something Wicked					Warner Bros.
This Way Comes	HBO	ST		HTN*	Warner Bros.
Snakeheads: Tomorrow	HBO		TMC	HTN	Universal
Southern			TMC		Universal
Spirit of St. Louis: The			TMC*		Warner Bros.
Splash		ST	TMC	HTN*	Warner Bros.
Stacy & Knight			TMC	HTN	Warner Bros.
Star 80	HBO	ST	TMC		Warner Bros.
Starman	HBO				Universal
Starman 45				HTN	MAX
Stratton Story: The					MAX
Set II					MAX
Swing Shift	HBO	ST	TMC	HTN	Warner Bros.
Swing Time					MAX
Sword of the Valiant			TMC		MAX
10 Steps (1933): The					MAX
2010	HBO	ST	TMC		MAX
Ten for Three			TMC*		MAX
Ten From Your					MAX
Show of Shows	HBO				MAX
Terms of Endearment			TMC*		MAX
Testament	HBO	ST			MAX
They All Laughed	HBO				MAX
Thief of Heart					MAX
Thief Man, The		ST			MAX
Top Hat					MAX
Trouble					MAX
Trouble With Harry, The	HBO	ST	TMC	HTN	MAX
Twelve Months, The		ST	TMC*	HTN*	MAX
Uncommon Valor			ST	TMC	MAX
Under the Volcano	HBO	ST			MAX
Unfaithfully Yours	HBO	ST*		HTN	MAX
Until September	HBO	ST			MAX
Walk Proud	HBO				MAX
Weekend Pass	HBO	ST			MAX
When The					MAX
Boys Are	HBO		TMC		MAX
Willy Wonka and					MAX
The Choc Factory					MAX
Yentl	HBO		TMC	HTN	MAX
You Light Up					MAX
My Life					MAX
Your Cheatin' Heart		ST			MAX
Zelig	HBO		TMC	HTN	MAX

Cable Network Legend

HBO Home Box Office

ST Showtime

TMC The Movie Channel

HTN Home Theater Network

MAX Cinemax

■ Networks in parentheses indicate carriage in August, September, October, November and or December

■ An asterisk indicates the film is a carry-over from August, September, October, November and or December

■ In total, 224 films appear on the January schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, six films have played on all five services, 17 films have played on four of the five services, 45 films have played on three services and 61 films on two services. One hundred and five titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV this month is Warner Brothers with 32, followed by MGM/UA with 31, Universal with 22, Twentieth Century-Fox with 19 and Columbia with 12.

CableVision

THE CABLE GUIDE STORY: '86 TO BE YEAR OF RECKONING



CableVision

LEADING THE WEEK

CNN talks

11

The talks go on between Turner Broadcasting System and Rupert Murdoch over the sale of Cable News Network while Time Inc. also has its foot in the door.

Group W sold Cable

11

After the biggest sale in cable industry history at \$1.6 billion in cash and about \$500 million in tax liabilities, Group W Cable will belong to TCI, ATC, Comcast, Daniels & Associates, and Century Communications.

Hauser waits on Montgomery County

12

Hauser Communication's purchase of Tribune-United's Montgomery County cable operations rests on the county approving substantial modifications to the existing franchise.

HBO campaign critics

14

Motion Picture Association of America President Jack Valenti gave



thumbs down to HBO's new "cannibalistic" VCR campaign.

People's Choice debut

15

The People's Choice became the third PPV vendor to launch satellite feeds after debuting on Valley Cable in Connecticut.

"More Choice" at NCTA

17

Behind the motto "More Choice, More Value" at the NCTA 1986 convention

in Texas March 15-18 will be seven tracks of panel sessions.

Telescript IR-2000

18

All systems are go for Telescript Industries Corp.'s IR-2000 infrared light-emitting diode system; the transmission link is set for widespread distribution.

Legislative focus

22

On issues ranging from franchise fees to theft of service, 1985 was an active year for the cable industry on the state legislative front.

Not well worth it

26

Cable's value faded from "average" to "poor" according to the National Family Opinion Inc. survey of more than 6,000 families.

Operators unite

26

City cable operators in Los Angeles have banded together to form the Los Angeles Cable Operators Association.

TOPICS

Programming

28

HBO's surprise Christmas present to subscribers on Christmas Eve prompted a variety of reactions from the video industry.

Blending infomercials with new product demonstrations, *First Look*, a L.O. program, debuted on 33 systems last month.

System profile

33

Despite Hurricane Gloria's visit, Viacom's largest cable system ended

1985 with more than 100,000 basic subscribers, thanks to a hard-hitting marketing campaign.

Business

41

Warner Amex Cable Communications wooed Fairfax County with promises of a \$2-million rebuild and 78 channels in its bid for the system in Reston, Va.

Cablevision Systems has gained another extension on financing its Brooklyn and Bronx, N.Y., newbuilds.

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Cover story

35

Cable operators' plan to find answers to a key question in 1986: Are cable guides effective in gaining and keeping subscribers, or just a drain on finances with no rewards?

State legislatures affect cable in '85

WASHINGTON—Eleven states implemented new cable theft-of-service laws in 1985, highlighting an active year for cable in state legislatures, according to a National Cable Television Association summary of state legislative developments affecting cable during the past year.

During 1985, 282 cable-related bills were introduced in 44 state legislatures, according to the report compiled by the NCTA's State Government Relations office. State lawmakers adopted 43 of those bills as law and approved four resolutions affecting a variety of cable interests, the report said.

The 11 states which enacted new cable theft laws during 1985 include Arkansas, Idaho, Indiana, Massachusetts, North Dakota, New Mexico, Nevada, Oregon, Texas, Washington and Wyoming. A cable theft law which was enacted in Missouri as part of an omnibus crime bill was invalidated by the state Supreme Court because a technical error in the bill effectively repealed the Missouri rape statute. Since 1983, 30 states have written new laws to curb cable theft, the NCTA report said, noting that 37 states now have theft-of-service laws which are "cable specific."

Regulating the content of cable programming was a "major issue" in 1985, with 43 separate bills introduced in 15 states, according to the report. The North Carolina state legislature passed a bill which could affect cable as a "disseminator" of legislatively defined obscene material. North Dakota passed a bill incorporating cable into the state's existing obscenity law. Obscenity legislation is pending in Massachusetts, New Jersey, Pennsylvania and Wisconsin, and similar measures were killed in California, Florida, Illinois, Indiana, Louisiana, Maryland, Nebraska, Oklahoma and South Dakota.

Twelve separate bills involving cable's access to premises were introduced in six states during the year. Early this month, the Massachusetts legislature passed a law guaranteeing cable access to MDUs, setting compensation to the landlord for such access at \$1, and authorizing the State Cable Commission to resolve disputes concerning compensation. An Illinois law provides for cable access to property owned by utilities, railroads or pipeline companies. Access to premises bills were killed by Florida, Iowa and Tennessee legislatures, and a proposal be-

fore the Oklahoma legislature will be carried into the 1986 session.

Most of the franchise fee activity during 1985 was centered in Wisconsin, according to the report, in the wake of a circuit court judge's decision in November 1984 that franchise fees measured by cable system income were illegal under state law. Wisconsin municipal authorities were successful in passing legislation to give cities the authority to collect franchise fees, and Wisconsin cable operators are currently pushing legislation to repeal that law. Legislation is pending in Massachusetts to set fees at 3 percent of revenue, and in New Jersey to set fees at 1.5 or 2 percent.

The NCTA report noted that telecommunications legislation was adopted in Arizona, Connecticut, Illinois, Indiana, Montana, New Mexico, North Dakota, Oregon, Utah and Washington requiring cable operators providing non-video services to obtain prior state certification. Those laws will likely be affected by the Federal Communications Commission's recent *Cox* decision pre-empting any state regulation which impedes cable's entry into the interstate data communications business.

ANI tests scheduled

TRAVERSE CITY, Mich.—Michigan Bell will provide ANI order entry service for an experiment utilizing Zenith's Phonevision system in Traverse City, Michigan. The 9500 addressable sub Centel Cable Television system has targeted a March 1 launch of the test. Request Television is the vendor for the programming. Cost of the ANI call was not revealed.

This is the third ANI test announced. Viacom is starting one with Pacific Bell in California. A Pac Bell spokesperson said they will need more than just PPV (home banking, etc.) to justify the cost of their system if they are to roll it out on other than a test basis. A Michigan Bell spokesperson said their system will be built just for PPV capability.

Another ANI test is one with AT&T that Viacom and Viewer's Choice have announced for June in Milwaukee. If that system proves effective, Viewer's Choice has said it would be interested in rolling it out nationally.

—Chuck Ross

NCTA seeking nominations for National Awards

WASHINGTON—The National Cable Television Association has issued a "call for nominations" for its 1986 National Awards, the cable industry's individual accolades which will be presented March 18 at the conclusion of the NCTA annual convention in Dallas.

NCTA said that booklets containing nomination forms were mailed to association members on Nov. 18, and that the deadline for submitting nominations to the NCTA Awards Committee is Jan. 7. "This is our opportunity to recognize our peers who have best exhibited the leadership and foresight that have so consistently characterized the people in the cable industry," said Burt I. Harris, chairman of the Awards Committee and president of Harris Cable Corp.

NCTA members have been asked to nominate individuals for the following awards:

- *Vanguard Award*, which NCTA said is "the most prestigious of the National Awards, presented to a man and a woman whose contributions have placed cable in the forefront of the new communications technologies;"

- *Challenger Award*, presented to a system associate member 40 years old or younger for "outstanding leadership qualities and significant contributions to the growth and development of cable nationally;"

- *Associates Award*, for a programmer or equipment supplier;

- *Science and Technology Award*, for technical developments in manufacturing, design, application or implementation;

- *State-Regional Association Award*, presented to a member of a state or regional association for contributions to that association and state legislative and regulatory activities; and

- *Marketing Award*, for leadership in developing marketing concepts which benefit the cable industry.

Correction

Rogers Cablesystems in San Antonio will not reduce its pay-per-view movie prices to between \$1 and \$4 as reported December 23/30, p. 23. The movies will be discounted by \$1, to sell at \$4 each.

COVER STORY

Guides gaining ground, but questions remain

Despite considerable gains made by cable guide publishers over the past year, a cloud of uncertainty continues to hang over the business as it begins 1986.

The primary cause for that outlook: growing concern among some operators over whether the return on offering guides to subscribers justifies the investments in them, given their spiraling distribution and publishing costs. In particular, some MSO directors observe, there's not much tangible evidence at their disposal proving that guides are cost-effective deterrents to churn or that they play a key role in subscriber acquisition and retention campaigns.

According to Dale Parker, Heritage Communications' marketing and programming vice president, it's a dilemma with no easy answers. "Guides are important, but we can't find real proof that where we use them, they reduce churn," he asserts. "They are a heavy financial investment and the return isn't visible. The problem is that the cable industry is at an immature state when it comes to tracking what marketing methods stimulate subscribers."

As part of the effort to develop better information this year many MSOs will be experimenting with a variety of program information vehicles to determine whether any of them can effectively replace cable guides at lower costs without loss of marketing value. The list of media options under active consideration includes expanded Sunday newspaper television supplements; customized MSO-wide guides produced in-house or by outside publishers; *TV Guide*, the nation's best-selling weekly consumer magazine; and cross-channel promotional message services such as *Cable Promotion Network* and *Cable Tonight*.

On their end, cable guide publishers maintain that the cost-effective argument some operators throw at them is unwarranted, noting that recent studies conducted by Simmons Research and other independent research firms clearly show the power of guides as retention devices.

A survey taken last fall at one large

'Guides are important, but we can't find real proof that where we use them, they reduce churn.'

—Dale Parker

system using *The Cable Guide*, the digest-sized monthly published by TVSM and used in some 6.2 million homes, found that 75 percent of its respondents valued it as their most important source of system information and a major influence on service retention decisions. Another Simmons study, recently completed for Cable Publications Inc., the Boston-based subsidiary of Crosby Vandenberg Group formerly known as Cable TV Guide Network, concluded that in several franchises surveyed around the country, guides were used an average 2.5

times per day in most households, twice the average of Sunday newspaper inserts.

Decreasing margins

"When operators look at decreasing margins caused by a variety of sources—lower pay and multipay growth, basic network per-sub increases—there's pressure to increase profits," says Lou Pirnik, marketing director with *TV Host*, a guide taken by 240 systems across the country. "When you have large operators looking at the guide as an expense, the instinct is to look for alternatives. The alternative they should take is to use the guide to their fullest ability and work with the publishers. It's a direct communicator to the subscribers."

There are many operators, of course, who concur with this view. Ann Beck of Warner Amex Cable finds the expense reasoning short-sighted. "We need [guides] very badly," says the MSO's program acquisitions director. "They are invaluable, not only as a marketing tool but as an ancillary source of advertising revenue. If operators feel the guide exists only as an expense, then I don't think they're using it properly."

Another belief many operators hold

'The end of *On Cable* indicated that guide production is not an easy business.'

—Scott Campbell



'Product advertising in guides will equal or surpass the amount of cable service advertising on a monthly basis in two years.'

—J. Robert Livingstone



that guide providers want to lay to rest for good this year is that the guide publishing business is financially shaky. That argument, brought up three years ago when Time Inc.'s ambitious but short-lived *TV-Cable Week* magazine ceased publication and again in 1984 with the exit of Maclean Hunter's digest-size *Program Guide*, was revived this fall when *On Cable* announced plans to discontinue after six years in business, the last two under Cox Cable ownership. Most of the magazine's 1.5 million subscribers will start receiving guides from TVSM, Premium Channels Publishing and several other firms this month, but some operators on the verge of affiliating with various publishers at the time of *On Cable*'s decision delayed their plans and expressed concern over the state of the market.

"The end of *On Cable* indicated that guide production is not an easy business," notes Scott Campbell, marketing vice president at Jones Intercable. "Look at Cox and Time, two companies with major financial strength that couldn't make a guide work."

But Warren Zeller, general manager of *Cabletime*, the monthly listing guide developed by Tele-Communications Inc., labels *On Cable* a special case, rather than a barometer of general industry health. Because of its unique format, which included elaborate articles on cable programming and critiques that often chided industry practices, the publication was forced to concentrate on landing affiliates in major cities and depended largely on national advertising to meet expenses.

"They acted as a watchdog for the consumer, but their main [advertising]

revenue stream came from the people they criticized," Zeller says. "Their lack of advertising also stemmed from not getting into the major markets. If they had tried [earlier] to sell the publication directly to subscribers, they might have survived."

Affiliate actions

TVSM President Neil Heller believes the affiliates' actions in the wake of the guides demise demonstrate that the business is in good shape. "I can't think of any system using that magazine that didn't substitute it for another guide, whether us or someone else," he maintains. "If the industry was looking to get out of guides, that was a good opportunity and nobody jumped at it."

Most guide publishers live on two revenue streams these days: system

'If operators feel the guide exists only as an expense, then I don't think they're using it properly.'

—Ann Beck

charges determined by the format, frequency and number of copies, and national advertising sales within the guides. Affiliates are billed on a per-issue, per-month basis, with individual copy prices ranging from 8 cents to \$2.00. For some systems, the cable guide expenditure comes out to \$500,000 or more per year, and at the MSO level, guide distribution is considered the biggest single expense item after pay marketing.

Although production and mailing costs for guides have increased by more than 50 percent over the last few years, according to several sources, the majority of publishers claim profitability. Much of the credit goes to an escalating volume of national advertising revenue.

Until a few years ago, national space was limited to advertising by pay and basic services. Now, with many guide suppliers reaching at least one million homes, consumer product firms are buying more space.

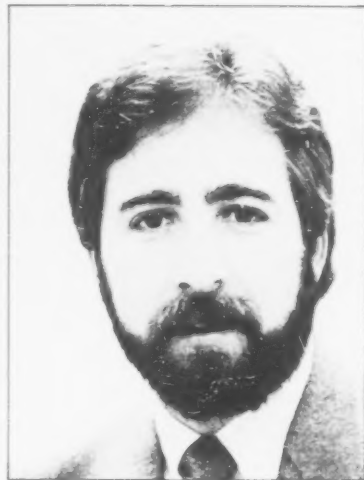
While no one expects guide publishers to survive solely on advertising revenues anytime soon, if ever, some publishers, including J. Robert Livingstone of Cable Publications Inc., think product advertising in guides will equal or surpass the amount of cable service advertising on a monthly basis within two years. At TVSM, revenues from such accounts as Apple Computer, General Foods and Ralston-Purina already equal the dollars drawn from various programmers.

Livingston's company has \$82,000 in national ad billings contracted for this month, compared with \$41,000 in billing a year ago. With some luck, CPI expects to average \$71,000 a month in billings through the first quarter of 1986, up from \$40,000 a month for the same period last year. Direct-response and electronics equipment businesses presently account for 16 percent of its ad revenues. Company officials want to drive the figure up to at least 35 percent by the start of 1987.

Elsewhere, TVSM recorded a 100 percent increase in national advertising revenue for 1985 and is projecting another 100 percent rise in the year ahead, while *TV Host* saw its national sales go up by 60 percent.

Advertising reps

Most publishers depend on special rep firms to handle all or part of their national ad sales. Cable TV Magazine Network, based in New York, and The Pattas Group, operating out of Chicago, Miami and Los Angeles, are the two reps getting the lion's share of



'If the industry was looking to get out of guides [the end of *On Cable*] was a good opportunity and nobody jumped at it.'

—Neil Heller

farmed-out activity. Some accounts placed through their auspices include RCA Record and Tape Club, TDK and BASF audiocassettes, and Lorillard cigarettes.

Ironically, these successes have led to a situation that is giving operators the option to consider guide alternatives. Other consumer-directed media, unwilling to include cable program listing or features in the past for various reasons, have changed their minds in order to capitalize on the mediums expanding viewership.

"A few years ago, the guide business started on a big note, because the traditional methods—newspapers and *TV Guide*—didn't provide elaborate detail on cable," says Nimrod Kovacs, United Cable's vice president of marketing, programming and communications. "So the industry encouraged entrepreneurs to get something going. Now the rest of the marketplace has caught up, and the guide people must realize that they're dealing with more powerful competition for their business."

United's suburban Denver system opted to align itself with some of that competition last March. After four years of using Cableview and running up \$250,000 in annual guide costs, the 115,000-subscriber franchise substituted free home delivery of *The Denver Post's* weekly 64-page TV insert on Sunday mornings for the monthly premium guide. Made system-specific under a collaborative effort between *Post* editors and United staff, the *Post* section also reaches 50,000 non-cable subscribers in the area.

The newspaper handles all delivery and production expenses on the section, for which it receives a small

monthly cash reimbursement from United. In return, the system gets two pages within the supplement for local advertising and another pair of pages for promotional announcements. Editorial control of section features stays with the *Post*, but its agreement guarantees that half of each year's cover stories will be devoted to cable.

Going into its 10th month, the arrangement is working to United's satisfaction. Subscriber feedback is mostly positive and some non-cable households have signed up because of interest perked by the section.

"The value of having this distributed everywhere in our franchise area is almost impossible to calculate," notes Jim Dovey, president and general manager of the system. "It's weekly; the *Post* had the distribution mechanism in place, and we found the way to communicate with all our customers without adding to their bill." Prior to the deal, United only offered *Cableview* to pay households.

United franchises near Las Vegas and Colorado Springs, Colo. are following the suburban Denver results closely and may be the next candidates at the MSO for a newspaper insert venture.

Newspaper partnerships

Meanwhile, several operators that launched small-scale newspaper partnerships three or four years ago appear to have renewed interest in the concept as a result of United's project. Comcast, which introduced "Cable TV Week" Sunday inserts in a few markets during 1982 and 1983, is exploring arrangements of that nature at franchises operating without guides.

Heritage, providing a local newspaper section to its Des Moines subscribers for the last four years, has some proposals for supplement agreements at other locations under development.

Convinced that an alternative program information media market would eventually develop, *TV Guide* dived into the industry as a cable guide marketer more than three years ago. Turning into 1986, the magazine has convinced 135 systems representing about two million homes to supply it in some fashion—half of those franchises within the last year alone.

Warner Amex is one of the weekly publications' largest customers, offering it in 40 systems, the latest being BQ Cable, its just-launched Queens franchise. Selected Heritage, Viacom and United systems also distribute the magazine.

Before plunging into operator sales, *TV Guide* made some changes in its editorial content. More feature articles on cable were assigned to staff writers. The magazine's two review columns (one on movies, the other dealing with broadcast programming) were expanded to include separate cable critiques. And daily prime-time programming grids matching pay and basic services with broadcasters were introduced throughout its listings section.

Home Box Office, WTBS, Showtime, ESPN and other major services are represented on grids published in every one of *TV Guide's* 109 regional editions. Other channels are showcased on a market-by-market basis, depending on subscriber penetration in those areas.

The magazine's industry marketing strategy also includes an option giving operators the right to sell it directly to subscribers for \$1.95 a month. The purpose behind that is two-fold, according to TVG Marketing Director Herb Zucker. As a known national commodity bought by 17 million people each week through newsstands and subscriptions, the publication has a built-in attraction to cable households which a system can take advantage of for ancillary revenue. At the same time, more and more operators are giving the idea of a subscriber guide fee serious consideration as a way to offset accelerating market costs.

"The major reason (now) why people are going to us is to shift the financial burden from guides to the customer (without fear of reprisal)," Zucker says. "My feeling is that we're establishing our momentum on this issue."

Indeed, while the majority of systems provide cable guides free, several

MSOs are testing the charge idea. Tele-Communications Inc. introduced a 50 cent monthly fee for *Cabletime* in its Madison, Wis. franchise five months ago; 80 percent of all subscribers there are paying the price. Several TCI systems in the Rocky Mountain states may adopt the concept later this year.

Of 40 Jones Intercable systems offering guides, 60 percent of them tag on a \$1 monthly fee to subscriber bills. Most of those franchises are breaking even on the venture, and a few are turning a small profit.

Other systems use a halfway approach—charge basic subscribers for the guide, but give it away in pay households. "We view the guide as a separate revenue stream," maintains Jones' Scott Campbell. "It should be sold on its own and perform accordingly."

Adds *Cabletime's* Zeller: "The process also flushes out who wants the guide. Your basic assumption when you send out guides (free) is that everyone reads it. Not true. This way, you immediately find out who's loyal to the product."

Rate deregulation

Some MSO executives believe that any guide charge spree on the horizon may be short-lived. When full rate deregulation takes effect a year from now, operators that plan to boost monthly basic charges up to \$15 or more will roll back their guide fees in order to hold down price sensitivity problems, says Brian Roberts, operations vice president with Comcast.

The 18th-ranked MSO will carry out that plan by early 1988, until then, it will continue distributing TVSM and other guides free to two and three-pay service homes in several markets while one-pay and basic customers in those areas get them at \$1.25 per month. Comcast's policy has been in effect for over a year.

"If a subscriber pays \$35 or \$40 a month for service, they're the best customer you've got and they should automatically get guides and other things that reflect the service's value in a positive way," Roberts advocates. "Once we enter deregulation, that philosophy will change because operators will conclude that, for the money, basic service and guides that explain the benefits of that service should be positioned as strong as possible."

Many operators think the panacea to the guide issue lies in increased usage of customized digest and magazine-size formats. Under the process, a fran-

chise retains total editorial control of the publication, controls production and marketing expenses and has the ability to shape the publication according to its overall corporate image. Additionally, the system can allocate as many pages as it needs for service marketing campaigns, local ads and public service announcements.

Publishers who specialize in the customized guide field, such as Cosmo Graphics, CPI and CableViewers, see 1986 as a landmark year for their products, maintaining that a growing number of MSOs will start using the concept on a company-wide scale, instead of resorting to the scattered market

approach taken in recent years.

"It wouldn't surprise me to see them doing their own guides," noted Carl Kehler, president of Cable Communications Media, another member of the class. "Most marketing trends in this business are faddish, but we're seeing a bigger share of the industry turning to customization because what more operators want is a magazine totally done to their specification and delivered within the cost they're willing to pay."

Custom guides

One of the first customized guides designed for MSO-wide distribution,

STATE OF CABLE GUIDE BUSINESS

Nationally-offered guides

Publisher	Launch	Systems	Subscriber Count	Sub Charge	System Charge Range ¹
Cable Communications Media	9-85	100	1.6 million	varies by market	50 cents-\$2.00
Cable Publications Inc. (formerly Cable TV Guide Network)	1982	N.A.	2.5 million	varies	30-45 cents (digest format) 60-70 cents (magazine format)
Cableview	mid-1976	400	3.5 million ²	none	10-80 cents
Cable Viewer	9-79	24	420,000	none	\$1.00-\$1.50
Cosmo Graphics	8-79	32	1 million	none	20-75 cents
Premium Channels	8-80	1,500	3.8 million	none	8-10 cents 13.5 cents per sub extra for special insert(s)
TV Guide (marketed as a guide)	1982	135	2 million	varies ³	40 cents ⁴
TV Host	3-66	240	1.5 million	varies	20-60 cents
TVSM	7-80	600	6.2 million	varies	75 cents-\$1.25

¹ Systems are charged on a per-sub issue, per month rate.

² Clients include Tele-Communications Inc.'s *Cabletime*, Viacom Cable of Long Island, ATC's Memphis, Tenn. system, and assorted American Cablesystems, Times Mirror and Continental Cablevision franchises.

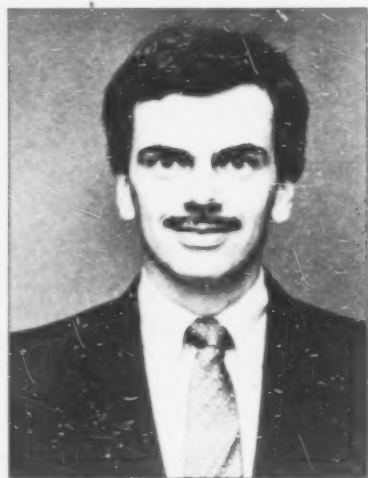
³ Most systems offer it free; others provide it free to pay subscribers and charge \$2.00 a month to basic subs.

⁴ Company also publishes 1.5 million inserts each month for several program services, including GalaVision, Home Theater Network and The Playboy Channel.

⁵ Some outlets charge subscribers \$1.95 per month for the magazine; other systems provide it free or at a lower monthly charge to multipay customers.

⁶ Per-sub issue per week fee.

⁷ Most systems offer it free. A weekly TV Host is sold to Harrisburg, Pa. cable households at a \$25.80 annual charge per sub. Other weekly editions are available on newsstands in Portland, Ore. and portions of New Jersey and Pennsylvania for 60 cents per copy.



'If you look at the quality of those guides now compared to what the business looked like three years ago, there's no comparison.'

—Ken Rice

Cabletime, goes out each month to about 200 TCI systems and nearly two million homes. CPI prepares the monthly digest for the nation's top-ranked operator, as well as individual system guides for Continental, Viacom Cable and American Cablesystems. Launched in 1982, the guide is expected to break even this summer.

TCI officials are satisfied that *Cabletime* has proved its worth as a subscriber retention tool, based upon review of a Simmons report prepared last fall concluding that most subscribers receiving the guide used it at least two times per day, and 30 percent of those surveyed said they referred to the digest three or more times per day.

Over the last few months, TCI conducted two marketing campaigns through *Cabletime* inserts—a remote control unit offer and a "HBO for a friend" appeal, where subscribers that enlisted a new household for cable service received one month of HBO free, while his friend was installed at no charge. The campaign attracted 11,000 remote sales and 5,000 new subscribers on an MSO-wide basis.

One of the latest MSO custom guide experiments is *Cable Watch*, a magazine-format publication distributed by American Television and Communications Corp. to 12 systems in its National division. Some 225,000 households have received it since last September in areas ranging from Ithaca, N.Y. and Torrington, Conn. to Erie, Pa.

Cosmo Graphics handles production of the guide, which averages 71 pages of listings and 16 features and national advertising pages per edition. By mid-1987, ATC will roll it out to all 53 Na-

tional division franchises, covering 625,000 subscribers. Most *Watch* affiliates formerly used *On Cable*.

Ginny Overbagh, vice president of marketing, programming and public affairs for the division, calls *Cable Watch*'s performance so far a moderate success. Average guide costs at the system level, about 50 cents per issue per month during *On Cable*'s tenure, have declined to below 50 cents in many *Watch* carriers, with some affiliates bringing that fee down to 15 cents per issue per month through local advertising spaces appearing in the listings section. "We've hardly gotten off the ground yet, and a few systems are already selling eight pages of ads," she says.

Later this year, Overbagh and her staff will conduct an extensive survey among division affiliates with an emphasis on *Watch* and whether or not it affects churn and retention rates. Although one or two ATC non-National systems may align with the venture down the road, the majority of them will continue doing business with

'Nobody seems to know what the answer is, what the future will be, and everyone's hedging.'

—Richard Wilen

TVSM, CableView, Premium Channels and other generic guide publishers.

Guide quality

"If you look at the quality of those guides now compared to what the business looked like three years ago, there's no comparison," believes ATC Customer Service Director Kent Rice. "In every respect, they're much better in quality."

The generic publishing class also has expectations of a rising business tide this year. Premium Channels is counting on an additional 200,000 homes for its guides over the next three months, coming from various Times Mirror, McCaw and Post-Newsweek Cable systems. *TV Host* projects a 30 percent circulation increase for all of 1986, while TVSM is shooting for another 100,000 *Cable Guide* subscribers by the end of the year.

Adding 400,000 guides in the last three months alone, *Cableview* is testing a customized pay-per-view insert at Storer Cable's franchise in Beaverton, Ore. The experiment has gotten off to a promising start. The number of PPV sales per month doubled after Storer launched the guide this past October, and the rate is still climbing. Once full-scale production is under way, *Cableview* will market the insert elsewhere. Dick Sullivan, the company's executive vice president of marketing and sales, expects that to happen by mid-spring.

Cable Choice, another large-size custom guide, will premiere later this month at two Los Angeles sites—Communicom, the system still awaiting new ownership after filing for bankruptcy less than a year ago, and United Cable's area newbuild. Officials place initial circulation at 25,000 homes and say the total could swell to 140,000 homes within two years.

Still, the major item guide publishers and MSOs have at the top of their 1986 agendas is to reach a consensus on the churn-effect cost-effect question. It appears that the two sectors may join forces to find definitive answers. Jones is thinking about a joint research study with publishers input, while other MSOs plan to go ahead with strategies mirroring ATC's *Cable Watch* survey.

"Nobody seems to know what the answer is, what the future will be, and everyone's hedging," muses Premium Channels President Richard Wilen. "But we're not complaining. We may be in turmoil a little bit, but the answers are out there, and we're still viable."

—Simon Applebaum

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	220	1,800,000
Arts & Entertainment (A&E)	2,100	17,300,000
Black Entertainment Television (BET)	512	12,000,000
Cable News Network (CNN)	8,600	11,400,000
CNN Headline News	2,500	17,180,000
C-SPAN	2,000	23,000,000
CTN Cable Network	5,551	29,775,000
Country Music Television	300	5,300,000
The Discovery Channel	400	8,000,000
ESPN	11,434	90,000,000
Eternal Word Television Network (EWTN)	270	4,000,000
Family Guide II Network	70	90,000
Financial News Network (FNN)	2,200	20,000,000
Home Shopping Network (HSN)	3,241	6,200,000
The Learning Channel	700	6,000,000
Lifetime	2,000	11,900,000
Modern Satellite Network (MSN)	300	10,154,700
Music Television (MTV)	1,380	27,800,000
The Nashville Network	1,500	23,800,000
National Christian Network (NCN)	50	1,250,000
National Jewish Television (NJTV)	247	2,500,000
Nickelodeon	1,200	26,200,000
Odyssey	N/A	N/A
PPT The Inspirational Network	1,200	12,300,000
Satellite Program Network (SPN)	400	11,900,000
Silent Network	250	8,400,000
SNV Television Network	304	12,758,700
Trinity Broadcasting Network	400	57,100,000
USA Network	1,200	30,000,000
Video Hits One	718	8,000,000
The Weather Channel	1,800	16,700,000
WTN-TV	7,001	16,861,000
WOR-TV	1,404	3,440,000
WPTX-TV	112	2,043,000
WTHS-TV	10,000	25,210,000

Pay services

American Express	6	60,000
American Movie Classics	140	270,000
Bravo	2,400	650,000
Cinemax	4,200	1,650,000
The Disney Channel	2,500	2,342,000
GalaVision	2,000	660,000
Home Box Office (HBO)	6,000	14,500,000
Home Theater Network (HTN)	400	900,000
Showtime	3,200	5,400,000
The Movie Channel	3,250	1,250,000
The Nostalgia Channel	50	170,000
The Playboy Channel	580	732,000
Private Ticket	1	N/A

Audio services

Cable Radio Network	14	1,100,000
KRUC Super Jazz	N/A	N/A
Lifestyle	152	2,000,241
Lifestyle AC	15	633,426
Moodly Bible Institute	57	738,108
Satellite Radio Network	50	400,000
Star Ship Stereo Inc.	75	1,115,919
Stardome	N/A	N/A
WFMT Chicago	182	1,110,100

Text services

AP News Cable	325	4,000,000
AP News Plus	40	700,000
Cable Sportstracker	8	425,000
Dow Jones Cable News	156	2,575,000
Electronic Program Guide (EPG)	249	5,205,000
EPG Jr.	17	17,267
Genesis Cable Storytime	21	680,000
Reuters News View	325	3,250,000
TV Decisions	106	2,826,401
UPI Data Cable	450	4,000,000
X Press	N/A	N/A

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Fun Network	2	1,044
Nippon Golden Network	1	11,044
Venue Consumer News	12	127,000
Venue Consumer Shopping Guide	22	107,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta InTouch	2	150,000
Bay Area Religious Channel (BARC)	4	101,000
Buffalo Sabres Hockey	8	150,000
Cable TV Network of New Jersey	30	151,000
The Experimental Channel	6	148,000
KTVT	75	1,244,000
Life Newsvision	14	30,000
Madison Square Garden	17	800,000
Mandarin Square Network	11	140,000
Morrell Channel	2	100,000
Nekaday Cable	1	2,101,119
Prime Ticket	N/A	2,000,000
Revel Cable Network	22	900,000

Pay services

Bridgevision	30	N/A
Home Sports Entertainment	40	1,100,000
Houston Dallas	83	1,000,000
Home Team Sports	107	84,021
New England Sports Network	80	980,000
PHISM Philadelphia	34	103,000
Pro Am Sports	30	90,000
Sports Channel (New England)	10	133,000
Sports Channel (New York)	29	164,000
SportsVision Chicago	11	95,000

Announced services

Satellite-fed services	Expected Launch
ABC Pay-Per-View service	1st Quarter 1990
Apollo Entertainment Television	TBA
The Book Channel	2nd Quarter 1990
The BuenaVision Channel	TBA
Cableix	TBA
Comedy Television	2nd Quarter 1990
Data Broadcasting Corp.	1st Quarter 1990
Discover Computer Network	1987
Discovery Financial Network	4th Quarter 1990
Discovery Music Network	10th Quarter 1990
El Canal Musical	2nd Quarter 1990
Ethnic Radio Networks	TBA
Event Television	1986
Innovations In Living	1986
International Business Network	4th Quarter 1990
Magical	TBA
Movie Time	1986
The Peoples Choice	1986
Seisat National Digital Network	1st Quarter 1990
Telstar Pay-Per-View Service	1986

Note: Figures for affiliate and subscriber counts will be updated quarterly, unless information is provided by the service. Send information to CableVision, Attention Cable Stats, P.O. Box 5208 T.A., Denver, CO 80217.
N/A denotes not available.
TBA denotes to be announced.

Total SIN reach: Spanish-speaking households 4,134,400

Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

BET

Anheuser-Busch (R)
Campbell's Soup (R)
Carson Products (R)
Coca-Cola (R)
Ford (R)
Hershey (R)
KFC Corp. (R)
M&M Products Co. (R)
McDonald's (R)
Mobil Oil (R)
Nike (R)
Pro-line (R)
Proctor & Gamble (R)
RCA (R)
Sears Roebuck & Co. (R)
U.S. Army (R)
U.S. Marine Corps (R)
Wendy's International Inc. (R)

C-SPAN*

Centel (R)
DuPont (R)
Gannett (R)
General Instrument (R)
Time (R)
Times Fiber (R)

Dow Jones Cable News

American Express (R)

Charles Schwab (R)
Consumer Reports (R)
Golf Digest (R)
Smithsonian Magazine (R)
Tennis Magazine (R)
Traveler's Equity Sales (R)
Zion First National Bank (R)

FNN

Allstate (N)
American Cyanamid (N)
Avis (R)
AT&T (R)
Best Western (N)
Bureau of Business Practices (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chicago Mercantile Exchange (N)
Chrysler (R)
Clayton Brown (N)
Commodore Computers (N)
Com-Quest (N)
CSX Corp. (N)
Dow Jones (R)
Ford Corp. (R)
GMAC (R)
GM Corp. (R)
Golden Nugget (N)
The Hartford Insurance (N)
Harris Corp. (N)
Hayes Corp. (R)
Hong Kong Tourist

Bureau (R)
International Harvester (N)
International Trading Group (N)
InterNorth (R)
Intex (N)
ITT (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Norelco (N)
Nynex (R)
Paramount Home Video (N)
Reichold Chemical (N)
Rockwell (N)
United Airlines (R)
USA Today (N)
Wall Street Journal (R)
Western Futures (N)
Xerox (R)
Zion Banking (R)
Zweig Forecast (R)
Z + 4 (N)

The Learning Channel

Barron's (R)
Charles Schwab (R)
Investor's Daily (R)
Smithsonian Magazine (R)
Standard & Poor's (R)
Time + Life Books (R)
Working Woman Magazine (R)

The Discovery Channel

American Home Products

Barron's Weekly
Business Week
Consumer Reports
Dreyfus Fund
Esquire Magazine
Illustrated Wildlife Magazine
Kent Collectibles
Life Magazine
Prudential Insurance
Save The Children's Fund
Science 85
Smithsonian Magazine
Time Magazine
Transamerica Occidental
USA Today
Vista Classics
Wall Street Journal

R denotes national, local
N denotes non-cable

*Listing is comprised of both advertisers and program underwriters.
Flow and channel information not available.

Source: Advertising clients are provided by the program services to International Thomson Communications Inc.

Top 20 MSOs

Rank	Multiple system operator	Basic subs
1	Tele-Communications Inc.	1,000,000
2	American Telecommunications Corp.	2,400,000
3	Omni Cable	2,900,000
4	Shore Cable Communications	3,100,000
5	Cox Cable Communications	3,300,000
6	Warner-Amex Cable Communications Inc.	3,400,000
7	Continental Cable Corp.	3,500,000
8	Times Mirror Cable Television Inc.	3,600,000
9	United Cable Television	3,700,000
10	Newhouse Broadcasting	3,800,000
11	Viacom Cablevision	3,900,000
12	U-A Cable Systems Corp.	4,000,000
13	Satellite Communications Inc.	4,100,000
14	Cablevision Co.	4,200,000
15	Rogers Cable Systems Inc.	4,300,000
16	Heritage Communications Inc.	4,400,000
17	Jones Inter-cable Inc.	4,500,000
18	Comcast Cable Communications	4,600,000
19	Telecable Corp.	4,700,000
20	McCaw Communications	4,800,000

Top 20 Systems

Rank	Location	Operator	Basic subs
1	San Diego, CA	Cox Cable	2,500,000
2	Washington, D.C.	Cablevision Co.	2,600,000
3	Manhattan, NY	ATI	2,700,000
4	Florida, FL	ATI	2,800,000
5	Orlando, FL	Orlando-Broward Inc.	2,900,000
6	Salt Lake City, UT	Rogers Cablevision	3,000,000
7	Houston, TX	Warner-Amex	3,100,000
8	East Orange, NJ	Maclean-Hunter	3,200,000
9	Indianapolis, IN	ATI	3,300,000
10	Phoenix, AZ	Times Mirror	3,400,000
11	Cincinnati, OH	Shore Cablevision	3,500,000
12	Wayne, NJ	U-A Cablevision	3,600,000
13	Lancaster, MD	Warner-Amex	3,700,000
14	Tulsa, OK	United Cable	3,800,000
15	Englewood, CO	United Cable	3,900,000
16	Plantation, FL	United Cable	4,000,000
17	Manhattan, NY	Omni Cable	4,100,000
18	San Francisco, CA	New York Times	4,200,000
19	Atlanta, GA	Cox Cable	4,300,000
20	Rochester, NY	Prime Cable	4,400,000

JANUARY 13, 1986

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

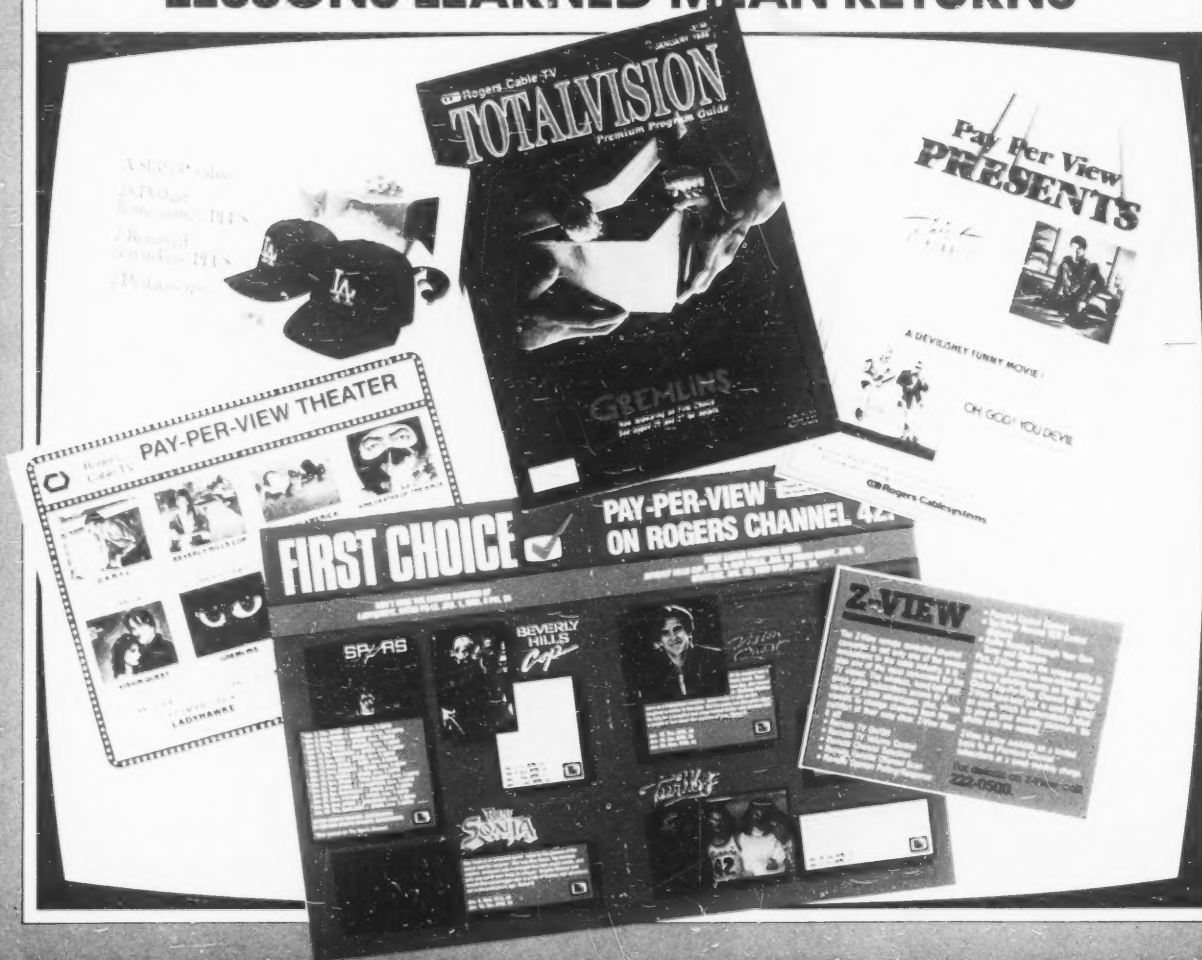
GROUP W CABLE DEAL COMING INTO FOCUS

WARNER AMEX TO BID ON BANKRUPT MMDS FIRM

FCC OFFICIAL PRAISES INTV MUST-CARRY PLAN

AD INTERCONNECT REPORT: QUESTIONS GETTING ANSWERED

ROGERS AND PAY-PER-VIEW: LESSONS LEARNED MEAN RETURNS



CableVision

LEADING THE WEEK

Group W Cable Division 11

Although not yet signed, sealed and delivered, Group W has begun divvying up its systems to winning bidders TCI, ATC and Comcast.

Warner Amex bids on MMDS 12

Warner Amex has made a \$500,000 bid and plans to assume \$500,000 in liabilities for the Milwaukee assets of Movie Systems Inc.'s bankrupt MMDS operation.

USA for sale 13

Time Inc. has placed a \$40-million price tag on its stake in USA Network for a probable deal with co-owners MGA and Paramount Pictures.

HBO, Cinemax scramble 14

Home Box Office and Cinemax break the ground as the first satellite-delivered programmers to begin full-time scrambling and market their services to backyard dish owners.

Pole rate dispute 16

Cable operators in Louisiana can now go to the Federal Communications Commission with their pole attachment disputes after a Louisiana state appeals court ruling.

Turner, Viacom return to table 16

Turner Broadcasting and Viacom International have taken up where they left off in their talks over the sale of MGM.

Montgomery Cty. ruling due 17

Probably the first judicial interpretation of the franchise renegotiation provisions of the 1984 Cable Act will be made by the 4th Circuit Court of Appeals on the Montgomery County case.

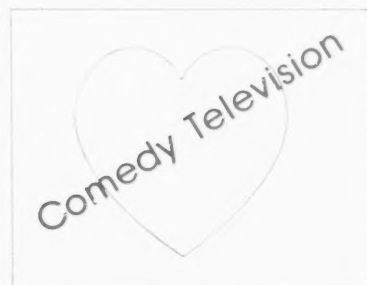
Not cable friendly 20

Congressional speakers at the INTV conference disclosed their willingness to let the FCC come up with a must-carry solution in line with the INTV proposal.

Hard line on system sales 22

A board member of NATOA is telling cities to more closely scrutinize system sales. Yet NCTA cautions that subscribers may be the losers if this "get tough" attitude prevails.

TOPICS



Programming 23

Comedy Television plans to do for humor what MTV did for music videos.

Management 24

Valley Cable in Los Angeles dealt with the problem of abandoned calls from subs by installing an automated phone

answering system. Their solution may be viable elsewhere.

Business 31

The Washington Post has completed acquisition of Capital Cities' 53 cable systems, paying 12 times the systems' 1985 cash flow.

32

Doug Dittick, president of Tribune Cable, has withdrawn his offer for four systems from the Tribune Co. as Jones Intercable offered big bucks for nine other Tribune systems.

Advertising 36

Cable system operators are facing the challenge of adapting their interconnects to meet local market conditions. Advertising in selected cities across America is explored.

Departments

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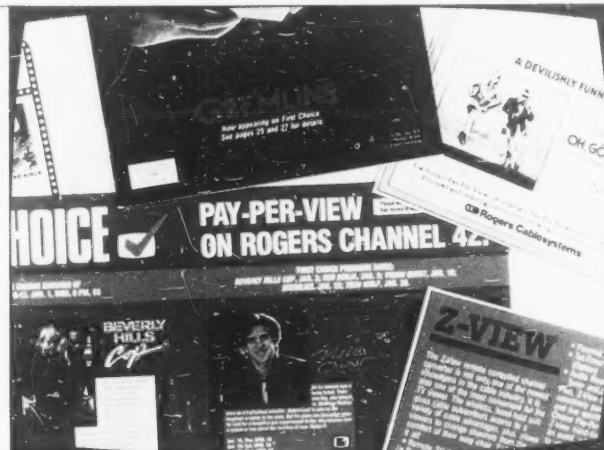
Products 42

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Cover story 26

Rogers CableSystems is learning how to make pay-per-view succeed. Their experience in four cities could help other MSCs with their own PPV efforts.

CAB: Cable gained on broadcast

NEW YORK—Basic cable services increased their viewership during the 1984-85 television season at the expense of broadcasters. That's the picture Cabletelevision Advertising Bureau officers sketched last week after analyzing data from A.C. Nielsen's latest Cable Status Report.

The survey, which tracks household usage of TV on a 24-hour basis, concluded that for the year ending last September, the combination of basic cable networks and superstations averaged a 24 share of audience each week in its universe, up from a 21 share the previous season. They also teamed for a 14 share among all television homes, compared with a 12 share the year before.

Within cable's subscriber base, broadcast network affiliate viewing dipped to a 56 average weekly share from the 58 share reached in the 1983-84 season, according to Nielsen's re-

port. Independent stations recorded a 12 share in that universe, down one share point from a year ago, while public television remained even over both seasons at a 3 share. When non-cable homes are figured in, broadcast network stations averaged a 66 share, down from 69 the previous year; independents finished with a 15 share as opposed to 16 the year before the public TV maintained its 3 share average.

"The significant thing about the new numbers is that (they) show a continuous growth (pattern) for advertiser-supported cable," noted CAB President Bob Alter. "There's been a lot of talk (lately) about the growth of independent stations, but (the study indicates that they) are facing increasing competition from basic cable," he said.

Pay services achieved an 11 share among all cable homes in Nielsen's '84-'85 survey, equal with the previous season's result. —Simon Applebaum

WEEKLY VIEWING IN TELEVISION HOUSEHOLDS

ALL CABLE HOUSEHOLDS

Service	Audience Share 1984-1985	Audience Share 1983-1984	% Change In Share
Satellite-fed basic	15	13	+15
Superstations	9	8	+13
Pay services	11	11	no change
Broadcast network affiliates	56	58	-3
Independent stations	12	13	-8
Public TV stations	3	3	no change

PAY CABLE HOUSEHOLDS

Service	Audience Share 1984-1985	Audience Share 1983-1984	% Change In Share
Satellite-fed basic	15	13	+15
Superstations	9	8	+13
Pay services	18	18	no change
Broadcast network affiliates	51	53	-4
Independent stations	12	13	-8
Public TV stations	3	3	no change

ALL TV HOUSEHOLDS

Service	Audience Share 1984-1985	Audience Share 1983-1984	% Change In Share
Satellite fed basic	8	6	+33
Superstations	6	6	no change
Pay services	6	5	+20
Broadcast network affiliates	66	69	-4
Independent stations	15	16	-6
Public TV stations	3	3	no change

Source: A.C. Nielsen Cable Status Report and Cabletelevision Advertising Bureau

There's No 'Morning After' With A.C.T.



ACTIVE COMMUNICATIONS TEAM, INC.

COMMUNICATIONS DESIGN
JEN MAR CONSTRUCTION
LINE SYSTEMS, INC.
AMERICAN COMMUNICATION
INSTALLATIONS, LTD.
RCH CABLE MARKETING
LINNEA, INC.

609-728-5548

609-227-8296

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,950,000	35
1989E	95,800,000	79,109,000	48,250,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,360,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,506,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Cable barometer

Television households (TVHH)	86 304 000
Homes passed by cable (HP)	64 571 000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36 120 000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21 672 000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Satcom IV (RCA Americom)

Transponder

Westar IV (Western Union)

Transponder

Westar V (Western Union)

Transponder

Telstar 303 (AT&T)

Transponder

Galaxy I (Hughes)

Transponder

Aurora F5 (Alascom)

Transponder

Market Satellite Television Product	24
Local Market Television Network	26
NASDAQ Composite Channel	10

Note: A computer name in parentheses following a service or network designates the transferable owner.

FACULTY OF THE UNIVERSITY OF TORONTO 49

NOTE

ONLY THE FOLLOWING PAGES OF THIS
PUBLICATION HAVE BEEN FILMED

Cov. 1, p. 4, 48-49.

JAN

20

1986

JANUARY 20, 1986

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

FCC SETS LIMITS ON LOCAL DISH ORDINANCES

NBC EXPLORING NEWS LINK WITH EXISTING CABLE NETS

HBO RETURNING TO CO-PRODUCTION DEALS

PAY PROGRAMMERS CHART NEW MARKETING COURSES

CABLE AT NATPE: EVER WIDER 2-WAY STREET



CableVision

LEADING THE WEEK

FCC pre-empts dish zoning 6

The TVRO industry claimed a "major victory" after the Federal Communications Commission voted to pre-empt dish zoning ordinances, but uncertainty remains about the ruling.

NBC News 6

With NBC News ready to scrap plans for a 24-hour service, the broadcast news division remains committed to a cable connection with an information feed to an existing cable service emerging as the most likely alternative.

Scrambled signals 11

Now that Home Box Inc. has begun scrambling its services, it turns to the business of selling those services to a reluctant TVRO market. Meanwhile, Showtime has delayed its encryption test.

Storer steps down 12

After four decades, Peter Storer has retired and turned over his duties as chairman and chief executive officer of Storer Communications Inc. to Terry Lee.

Mooney on must-carry 14

NCTA President James Mooney outlined the cable industry's position on must-carry before the National Association of Broadcasters Television Board of Directors meeting.

Viacom Cable Group 14

Viacom International Inc. has formed Viacom Cable Networks Group, designed to stimulate dialogue and sharing of resources among its cable networks.

Lewis resigning 16

April 1 will be the last day for Drew Lewis, chairman and chief executive officer of Warner Amex Cable Communications. Lewis will resign after a little more than two years on the job.

HBO co-producing 17

Home Box Office has returned to co-producing movies after agreeing to put up more than \$10 million for Orion Picture's upcoming comedy *Three Amigos*.

Turner, MGM restructure deal 18

MGM U.A. and Turner Broadcasting have restructured the deal under which Turner is to acquire MGM U.A., lowering the cost of the deal.

Canadian Superstation 20

The Canadian cabinet will review a proposal from the Canadian Broadcasting Corp. for a "superstation." The CBC hopes to counter U.S. television in Canada by transmitting Canadian programming to the United States.

Preferred briefs 22

The U.S. Supreme Court has heard from Los Angeles, the National Association of Broadcasters and several city groups urging the reversal of the Preferred decision in briefs filed with the high court.

Obscenity issue 23

Cable operators in Pennsylvania and Florida are preparing to battle local forces intent on controlling obscenity on their television sets.

TOPICS



Marketing 24

Pay television plans to focus on titles, themes and freebies as 1980 marketing efforts seek new subscribers.

Business 33

Times Fiber is seeking either a joint venture partnership or the sale of its Mini Hub II product line, a strategy which would allow the company to "capitalize on that asset without going broke."

Departments

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Cover story 26

Syndication of cable programming to broadcast television is increasing as cable continues to be a prime market for off-network programming. Some of the off-cable shows being syndicated (shown clockwise on the cover) include Nickelodeon's *Dangermouse*, USA Network's *Cheek It Out* with Don Adams, Showtime's *Brothers*, CBN's *The Flying House* and HBO's *All the Rivers Run*.

CABLE STATS

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next three months.

February

	Source
Agnes of God (G) (1) MPAA Rating: PG-13 Cast: Jane Fonda, Anne Bancroft, Meg Tilly Running Time: 99 mins	Columbia
Alice in Wonderland (G) (2) (28) MPAA Rating: G Cast: Animated Running Time: 75 mins	Disney
Beer (G) (2) (28) MPAA Rating: R Cast: Lorella Seale, Rip Torn, Dick Shawn Running Time: 92 mins	HBO Enterprises
Flesh and Blood (G) (2) (28) MPAA Rating: R Cast: Rutger Hauer, Susan Tavel, Annette Bening, Leigh Running Time: 120 mins	HBO Enterprises
Jagged Edges (G) (1) MPAA Rating: R Cast: Glenn Close, Judd Hoggins, Peter Onorati, Robert Loggia Running Time: 109 mins	Columbia
Key Exchange (G) (1) MPAA Rating: R Cast: Brooke Adams, Seth Allen, Nancy Beall, Ron Mooney Running Time: 96 mins	20th Century Fox
The Ninth Configuration (G) (1) MPAA Rating: R Cast: Stacy Keach, Scott Wilson, Jason Miller, Ed Fassler Running Time: 101 mins	New World
Pale Rider (G) (1) (2) MPAA Rating: R Cast: Clint Eastwood, Michael Moriarty, Julia Stanger, Christopher Penn Running Time: 115 mins	Warner Bros.
Real Genius (G) (1) MPAA Rating: PG Cast: Val Kilmer, Cuba Gooding Jr., Michelle Meyrink, William B. Davis Running Time: 100 mins	Tri Star
Return to Oz (G) (1) MPAA Rating: PG Cast: Fanny Halk, Piper Laurie, Norel Williamson, Dick Martin Running Time: 109 mins	Disney
Secret Places (G) (1) MPAA Rating: PG Cast: Marie Perle, Robin Tur, Markosian, Giamatti, Taylor, George, Another Running Time: 99 mins	20th Century Fox
Standalone (G) (1) (2) (18) MPAA Rating: R Cast: Charles Durning, Tim Lister, James Keach Running Time: 94 mins	New World
The Stuff (G) (1) (2) (18) MPAA Rating: R Cast: Andrea Marcovici, Michael Moriarty, Scott Wilson Running Time: 86 mins	New World
Volunteers (G) (1) (2) MPAA Rating: R Cast: Tom Hanks, John Candy, Rita Wilson Running Time: 106 mins	HBO Enterprises
Year of the Dragon (G) (1) (2) MPAA Rating: R Cast: Mickey Rourke, John Lone, Aron Running Time: 114 mins	MGM/UA
Summer Rental (G) (2) (27) MPAA Rating: PG Cast: John Candy, Richard Crenna, Kevin Austin, Rip Torn Running Time: 86 mins	Paramount

March

	Source
Commando (G) (1) (2) MPAA Rating: R Cast: Arnold Schwarzenegger, Dan O'Keefe, Cynthia Young, Sherry Stoner Running Time: 90 mins	20th Century Fox
Compromising Positions (G) (2) (28) MPAA Rating: R Cast: Steve Seidman, David, Doug, Edgar and Sherry Stoner, Robert Ross Running Time: 90 mins	Paramount
Mad Max Beyond Thunderdome (G) (1) (2) MPAA Rating: PG Cast: The Go-Gos, Tim Burton Running Time: 100 mins	Warner Bros.
Mask (G) (1) (2) MPAA Rating: PG Cast: Robin Williams, Alan Rickman, John Goodman Running Time: 101 mins	Universal
Maya (G) (2) (27) MPAA Rating: PG Cast: Glenn Close, Martin, Lawrence, Robert Loggia, John Goodman Running Time: 117 mins	HBO Enterprises
Silver Bullet (G) (2) (28) MPAA Rating: R Cast: Glenn Close, Timothy Dalton, Kevin Costner, Morgan Freeman Running Time: 100 mins	Paramount
Transcendental 2000 (G) (2) (27) (4) MPAA Rating: R Cast: Jeff Goldblum, Eric Roberts, Ed Harris, William Baldwin, Jeff Goldblum Running Time: 100 mins	New World
World Science (G) (1) (2) MPAA Rating: PG-13 Cast: Michael Ventres, Bill, Bill, Lorraine Running Time: 94 mins	Universal

April

	Source
The Assassinations (G) (2) (27) MPAA Rating: R Cast: Christopher Walken, Jeff Goldblum, Christopher Walken, Christopher Walken Running Time: 90 mins	New World
Bad Medicine (G) (1) (2) MPAA Rating: PG-13 Cast: Ann Arkin, Steve Seidman, John Goodman Running Time: 90 mins	20th Century Fox
Creator (G) (1) (2) MPAA Rating: R Cast: David O'Keefe, Mark, David, Christopher Running Time: 109 mins	Universal
The Glenn Miller Story (G) (1) (2) MPAA Rating: G Cast: James Stewart, John Williams, James Stewart Running Time: 112 mins	Universal
My Man Adam (G) (2) (28) MPAA Rating: R Cast: Raphael Sbarge, Peter Onorati, Vincent, Christopher, Peter, Thomas Running Time: 91 mins	Tri Star
National Lampoon's European Vacation (G) (1) (2) MPAA Rating: PG-13 Cast: Chevy Chase, Beverly Sills, Angela Doria Hill, Jason Lively Running Time: 99 mins	Warner Bros.
Fire Wars: Big Adventure (G) (1) (2) MPAA Rating: PG Cast: Fire Wars, Elizabeth, Mark, Mark, Mark, Mark, Mark, Mark Running Time: 90 mins	Warner Bros.

Note: Running times are approximate.
Film information provided by International Thomson Communications Inc. Inc.

Franchising calendar

This chart examines the franchise status of communities since January 1985.

California

Cerritos - request for proposals issued.
Chino - award to Marsh Media.
Claremont - tentative agreements to award franchise to Marsala Corp.
East Yuba - award to Sonic Cable 7.85 (10,000 homes).
La Puente - award to United Cable 11.28.84 (9,000 homes).
Los Altos - awarded to United Cable 12.84 (9,000 homes).
Palo Alto - awarded 10.7.85 to Cable Communications Cooperative of Palo Alto.
Riverside - award to Falcon Communications 2.26.85 (1,000 homes).
South Monterey - award to Falcon Communications 9.1.85 (100 homes).

Delaware

Wilmington - commission recommendation under review by City Council.

District of Columbia

Washington, D.C. - award to District Cablevision 7.10.84 (24,000 homes).

Illinois

Chicago - Area I award to Communications and Cable (300,000 homes).
Countrywide - award to Cablevision of Chicago 2.8.85 (2,000 homes).
Evanston Park - award to Continental Cable 12.17.84 (9,000 homes).
Naperville - award to Rite Cable Co. of Illinois Limited. Rite Cable of Illinois also awarded unincorporated areas of DuPage County 11.2.80 homes.
St. Charles, Geneva - award to Gentel 7.2.84 (19,000 homes).
Wheaton - award to Gentel 7.2.84 (16,000 homes).
Winnetka - survey showed interest payable insurance in acquiring franchise.
Woodbridge - terminated franchising process (200 homes).

Kentucky

Fulton - award to TCI 12.1.84 (2,400 homes).
Loretto - terminated franchise process.
New Haven - award to First PIC.

Maryland

Baltimore - award to United Cable 12.19.84 (30,000 homes).

Missouri

St. Louis - award to STL Cablevision Partners Inc. 7.7.84 of city and St. Louis City Communications (25% of city) 1.1.84 (178,000 homes).

New York

Midtown - terminated franchise process.

North Salem - award to Community Cable Services 12.8.84 (100 homes).
Portland - cable committee formed to begin franchise process. Tribune Cable, Harborview and U.S. Cable sent letters expressing interest (150 homes).

North Carolina

Davis County - award to Summit Cable.
Jackson - award to Cable East (400 homes).

Ohio

Avon - award to Space Cable of Ohio 4.84 (2,000 homes).
Cleveland - franchise awarded to Northcoast Cable 7.85.
Oscarline - preliminary award to Oscarline Cable Group 6.84 (2,000 homes).

Oregon

Truttsville - no response to RFP.
Seaside - awaiting additional legal opinions.

Pennsylvania

Philadelphia - city is divided into four areas. Area I award to Greater Philadelphia Cablevision. Area II award to Wade Communications. Area III award to Bellco. Area IV award to Comcast 11.84 each area (15,000 homes).

Rhode Island

Providence - award to Education and Training Center - accepting proposals (2,000 homes).
Newport - Area 2 includes Middletown, Portsmouth, Tiverton, Little Compton. Bellevue Cablevision Inc. awarded franchise (25,000 homes).

Virginia

Manassas - negotiating with Cablevision of Manassas.

Washington

Ballard Ground - new ordinance drafted. Soliciting interest from operators.
Seattle - city is divided into four parts. Group W, Viacom and Seattle Community Cablevision serve overlapping sections of three parts; part IV is beginning franchising process.

Wisconsin

Hayward - award to Cable TV of Hayward (1,000 homes).
New Glarus - award to Telephone and Data Systems 2.84 (670 homes).
Waterford - award to Total TV (8,000 homes).

Source: International Thomson Communications Inc.

Franchising in the top 50 markets

Rank	Market	Status of core city	Rank	Market	Status of core city	Rank	Market	Status of core city
1	New York	Multi-cable (100% of city) 10.84	21	San Francisco	Two systems (OF)	41	San Francisco	Two systems (OF)
2	Los Angeles	Cablevision (100% of city) 10.84	22	Portland	Two systems (OF)	42	San Diego	Two systems (OF)
3	Chicago	Area I award to Communications and Cable (300,000 homes). Area II award to Cablevision of Chicago 2.8.85 (2,000 homes). Area III award to Bellco. Area IV award to Comcast 11.84 each area (15,000 homes).	23	San Jose	Two systems (OF)	43	San Jose	Two systems (OF)
4	San Francisco	Two systems (OF)	24	San Jose	Two systems (OF)	44	San Jose	Two systems (OF)
5	San Francisco	Two systems (OF)	25	San Jose	Two systems (OF)	45	San Jose	Two systems (OF)
6	San Francisco	Two systems (OF)	26	San Jose	Two systems (OF)	46	San Jose	Two systems (OF)
7	San Francisco	Two systems (OF)	27	San Jose	Two systems (OF)	47	San Jose	Two systems (OF)
8	San Francisco	Two systems (OF)	28	San Jose	Two systems (OF)	48	San Jose	Two systems (OF)
9	San Francisco	Two systems (OF)	29	San Jose	Two systems (OF)	49	San Jose	Two systems (OF)
10	San Francisco	Two systems (OF)	30	San Jose	Two systems (OF)	50	San Jose	Two systems (OF)
11	San Francisco	Two systems (OF)	31	San Jose	Two systems (OF)			
12	San Francisco	Two systems (OF)	32	San Jose	Two systems (OF)			
13	San Francisco	Two systems (OF)	33	San Jose	Two systems (OF)			
14	San Francisco	Two systems (OF)	34	San Jose	Two systems (OF)			
15	San Francisco	Two systems (OF)	35	San Jose	Two systems (OF)			
16	San Francisco	Two systems (OF)	36	San Jose	Two systems (OF)			
17	San Francisco	Two systems (OF)	37	San Jose	Two systems (OF)			
18	San Francisco	Two systems (OF)	38	San Jose	Two systems (OF)			
19	San Francisco	Two systems (OF)	39	San Jose	Two systems (OF)			
20	San Francisco	Two systems (OF)	40	San Jose	Two systems (OF)			

Legend

- OF - one franchise
- 2OF - two franchises
- 3OF - three franchises
- 4OF - four franchises
- 5OF - five franchises
- 6OF - six franchises
- 7OF - seven franchises
- 8OF - eight franchises
- 9OF - nine franchises
- 10OF - ten franchises
- 11OF - eleven franchises
- 12OF - twelve franchises
- 13OF - thirteen franchises
- 14OF - fourteen franchises
- 15OF - fifteen franchises
- 16OF - sixteen franchises
- 17OF - seventeen franchises
- 18OF - eighteen franchises
- 19OF - nineteen franchises
- 20OF - twenty franchises
- 21OF - twenty-one franchises
- 22OF - twenty-two franchises
- 23OF - twenty-three franchises
- 24OF - twenty-four franchises
- 25OF - twenty-five franchises
- 26OF - twenty-six franchises
- 27OF - twenty-seven franchises
- 28OF - twenty-eight franchises
- 29OF - twenty-nine franchises
- 30OF - thirty franchises
- 31OF - thirty-one franchises
- 32OF - thirty-two franchises
- 33OF - thirty-three franchises
- 34OF - thirty-four franchises
- 35OF - thirty-five franchises
- 36OF - thirty-six franchises
- 37OF - thirty-seven franchises
- 38OF - thirty-eight franchises
- 39OF - thirty-nine franchises
- 40OF - forty franchises
- 41OF - forty-one franchises
- 42OF - forty-two franchises
- 43OF - forty-three franchises
- 44OF - forty-four franchises
- 45OF - forty-five franchises
- 46OF - forty-six franchises
- 47OF - forty-seven franchises
- 48OF - forty-eight franchises
- 49OF - forty-nine franchises
- 50OF - fifty franchises

Source: International Thomson Communications Inc.

JANUARY 27, 1986

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

BROADCASTERS ACTING ON CABLE PLEA FOR RIGHTS RECOGNITION

ATC, POWER COMPANY CREATING NEW CABLE FIRM

COMCAST EXPANDING IN VIDEO • '86 CONGRESS PREVIEW

THE PPV BILLING PUZZLE: VENDOR PLANS, OPERATOR NEEDS

THE SOARING ENTREPRENEURIAL SPIRIT: BRESNAN, OTHER EX-CEO'S LEAD CHARGE



CableVision

LEADING THE WEEK

Must-carry issue 11

While the must-carry negotiations outlook appeared to be improving after broadcast groups began preparing a statement recognizing cable's constitutional rights, in another corner the volatility of the subject remained at peak levels.

ATC forms new MSO 12

American Television & Communications and Houston Industries have agreed to form a new MSO expected to launch with more than 500,000 subs nationwide.

Pay-per transaction 16

National Video Inc. has begun an experiment dubbed "pay-per-transaction," in ten unnamed locations around the country.

Videos to go 17

After a successful experiment with a video rental store last year in Mississippi, Comcast will open its second outlet in Michigan.

HBO and Fox 20

HBO and 20th Century-Fox have concluded a three-part deal which plants the pay network more firmly in the co-production landscape.

Orion pact 20

After months of dickerings with Turner Broadcasting for a portion of MGM, Viacom joined with several investment firms to acquire a 39 percent equity interest in Orion Pictures.

Cable and Congress 24

Cable-related topics will contribute to

a turbulent year for the 99th Congress, now reconvened for another session.

Modern Satellite 26

Modern Satellite Network will become a program supplier to the Financial News Network and The Learning Channel starting Feb. 3.

Home Team PPV test 26

Three Washington Capitals pro hockey games and Antietam Cable TV in Hagerstown, Md., will be involved in a pay-per-view test by Home Team Sports.

HBO, promoters make pact 28

Home Box Office Inc. and boxing promoters Don King and Butch Lewis have finalized a deal that will result in the crowning of an undisputed heavyweight champion on HBO.

TOPICS

Programming 32

The 23rd annual NATPE convention found sellers taking cable programmers more seriously than ever as buyers of syndicated product. For the cable buyers, the convention turned up "some terrific opportunities."

36

Incorporating stock market prices and business news summaries, MarketWatch data retrieval service has been activated by Data Broadcasting Corp. over Financial News Network's vertical blanking interval to the ventures first affiliate in Virginia.

38

In the spirit of *Live Aid* and *Farm Aid*, HBO will present live *Comic Relief* March 29. The three-hour benefit performance for the homeless will

feature top comic talent at the Los Angeles Amphitheater.

38

In an effort to enhance channel lineup and promote subscriber retention, Mile Hi Cablevision and United Cable of Colorado have launched a "Classic Weekend" movie series with no commercial interruptions.

Marketing 40

The Wisconsin Cable Communications Association has developed a new marketing campaign for operators' use in boosting subscriber acquisition and cable's image within the state.

Management 41

Vendors of billing equipment for pay-per-view are scrambling to stay on top of the growing market demand. Rapid and accurate response to customer orders is the key.

Departments

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The lure of power, money and new challenges continues to induce cable executives to venture out on their own to launch their own businesses. Opportunities abound, but the entrepreneurs of today face a bigger challenge than predecessors like Bill Bresnan (cover), chief executive of Bresnan Communications. (Photo by Candace Drake.)

CABLE STATS

Film product comparison—February

Film	Pay Networks			Distributor	Film	Pay Networks			Distributor
Address, The				MAX*	MGM U A				Viacom
Ado				MAX	MGM U A				
Adventures of Buckaroo Bonnie, The	(HBO)	(TMC)		20th Century-Fox	Hipswrench		ST (TMC)		
After the Fall of New York					Hot Dog				
Alie Adams		ST			The Movie	(HBO)		TMC	MAX
All of Me	(HBO)	(ST) (TMC)	HTN*	MAX	Hotel New				MGM U A
American Pop	(HBO)			Alm Pictures	Hangnests, The	(HBO)			(MAX)
Amend	(HBO)	(TMC)	(MAX)	Universal	Hot Boys			TMC*	(MAX)
Arabian Adventure	(HBO)			Columbia	Hot Secret H's			HTN*	MAX
Aviator, The	(HBO)			Columbia	Hunter, The	(HBO)	(ST)	HTN*	MAX
Beach Girls				MGM U A	Iceman			TMC	Universal
Being There	(HBO)	ST (TMC)		Crown Int'l	Jay Pirates, The			HTN*	(MAX)
Belle	(HBO)	(ST)		London	Judge			TMC	Universal
Bent		(TMC)	MAX*	The Movie Store	Island of				
Best Defense		(ST) (TMC)		Viacom	Island of		ST		K Eto
Beyond the Walls				Paramount	Jack Frost			HTN*	Cornell
Big Scary, The	(HBO)*	(TMC)		Warner Bros.	Jerk, The		ST		MAX*
Blood Simple		(TMC)		Alm Pictures	Karate Kid, The	(HBO)	(ST) (TMC)		MAX
Blue Lagoon, The	(HBO)	(TMC)	MAX	Cine Release	Keep, The	(HBO)	ST		Paramount
Body Heat		ST		Columbia	Kidn				20th Century-Fox
Brass Ring, The		ST (TMC) (HTN)		Warner Bros.	Killing Heat, The			TMC	Foreign Films
Breakfast Club, The	(HBO)	ST (TMC)	MAX	Universal	King of Comedy, The	(HBO)	ST*		Paramount
Breakin'				Cannon Films	King of the				
Break Encounters		TMC		New Century	Land of the				
Bringing Up Bais			MAX*	HBO Pictures	Lord of the				
Brother From Another					Vertigo, The			HTN*	The Entertainment
Planet, The	(HBO)	(TMC)	(MAX)	Cinecity	East Fight, The				Network
Caged Heat		(TMC)		Viacom	Last Plane Out	(HBO)*		TMC	Best Films
Camelot		(TMC) (HTN)	MAX	Warner Bros.	Learning Tree, The			TMC*	New World
Cannonball Run, The	(HBO)			Galaxy Films	Law Mischief	(HBO)	ST		Warner Bros.
Cannonball Run II, The	(HBO)	(TMC) (HTN)	MAX	Warner Bros.	Lightning Sounds			HTN*	Warner Bros.
Champ, The	(HBO)	(TMC)		MGM U A	of Death				Itama Vista
Champions	(HBO)		MAX*	Embassy	Lion, II	(HBO)			Columbia
Choose Me	(HBO)		(MAX)	Lorimar	Love Child		(TMC)		Warner Bros.
Christine	(HBO)*		MAX	Columbia	Love Letters			TMC	MGM U A
Coal Miner's Daughter		(ST)	HTN*	Universal	Love Me Or Leave Me		(ST)		MGM U A
Come and Get It			MAX	Goldwyn	Lynch Wagon			TMC	Seymour Bordo
Coman the Destroyer	(HBO)	(ST)	HTN*	Universal	Madwoman of Chalet, The				MAX
Conflict: Married Deamy			HTN*	The Entertainment	Mad Event, The	(HBO)	ST	TMC	Warner Bros.
				Network	Manhattan			TMC	MGM U A
Country	(HBO)	(ST) (TMC)	HTN*	MAX	Man Who Saw Tomorrow, The			HTN*	MAX
Cyberia		ST		Buena Vista	Man in the Wilderness		(TMC)	HTN*	MAX
Dance				Golden	Man's Castle				MAX
Deadly Blessing		ST		Cinecity	Mean Season, The	(HBO)			MAX
Devil Makes Three, The		ST		King Features	Meet Me In Las Vegas		ST		MGM U A
Devils, The				MGM U A	Midnight Express	(HBO)	ST	HTN*	Columbia
Dixie Knight's Work				Warner Bros.	Midnight Madness	(HBO)	ST		MGM U A
Dreamscape	(HBO)			Excel Video	Mischief	(HBO)	ST		20th Century-Fox
Drivver, The	(HBO)			20th Century-Fox	Misunderstood			(TMC) HTN*	MGM U A
Duel In The Sun				Columbia	Modern Romance	(HBO)			Columbia
Easy Rider	(HBO)	ST	(MAX)	ABC Video					
El Norte				Columbia					
Empire Strikes				Viacom					
Back, The	(HBO)	ST	TMC	20th Century-Fox					
Endless Love				King Features					
Evil That Men Do, The	(HBO)			Tro Star					
Executioner's Song, The		(TMC)		Viacom					
Falling in Love				Paramount					
Father of the Bride				MGM U A					
Fatty Finn		ST (TMC)		Satori					
Firestarter		ST*	MAX*	Universal					
F.I.S.T.				Universal					
Flamingo Kid, The	(HBO)	ST	HTN	MGM U A					
Footloose				Universal					
Forced Vengeance				Paramount					
Formula, The				MGM U A					
French Lieutenant's				MGM U A					
Woman, The		(ST)	TMC						
French Woman, The		ST*	(MAX)	MGM U A					
Friday the 13th				Film Gallery					
A New Beginning									
Fury, The	(HBO)			Paramount					
Galaxia				20th Century-Fox					
Garbo Talks		(ST)		MGM U A					
Gaslight				MGM U A					
Gondola, The		ST	HTN	MGM U A					
			HTN*	The Entertainment					
				Network					
Goodbye Girl, The	(HBO)	(ST)	(HTN)	(MAX)	MGM U A				
Grevstoke	(HBO)*	(ST)	HTN	(MAX)	Warner Bros.				
Hamboe And Hollie	(HBO)	(ST)	HTN	MAX	New World				
Hardbodies	(HBO)			MAX*	Columbia				
Harris and Son	(HBO)			(MAX)	Orion				
Heaven Help Us				MAX	Silver Screen				
Hightpoint				MAX	New World				
Hollywood Hot Tubs		(ST)	TMC	(MAX)	Seymour Bordo				

'The Breakfast Club' makes its pay cable debut this February on Showtime, The Movie Channel and Cinemax.



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FEBRUARY 3, 1986

C4722-2

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

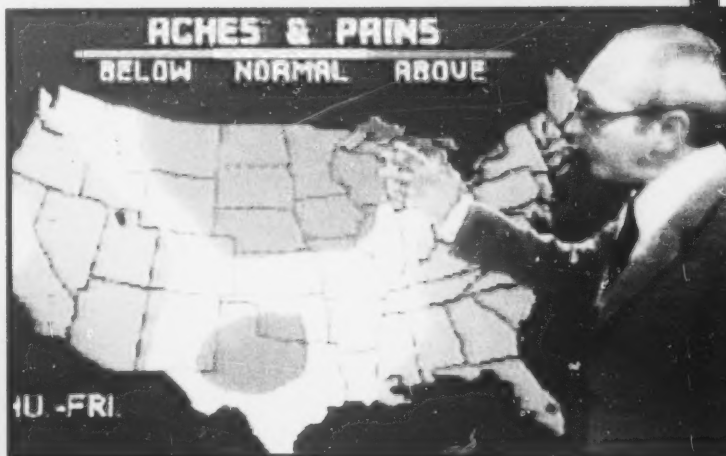
7-11 STORES TO BECOME VCR, TAPE RENTAL CONDUITS

JUSTICE DEPARTMENT OPPOSES NEW MUST-CARRY RULES

CABLEVISION SYSTEMS' STOCK OFFERING SELLS OUT

FINANCIAL ROUNDTABLE: OPERATORS, BROKERS TALK DEALS

THE WEATHER CHANNEL: A SUNNY FORECAST



CableVision

LEADING THE WEEK

7-11 to rent VCRs 11

The Southland Corp. has announced plans to begin renting VCRs and video tapes in at least 2,000 7-Eleven stores by the end of the year.

HBO sub counts 11

While 1985 may have been a slow year for pay services, improved programming and costly marketing campaigns have given HBO and Cinemax a boost in penetration at the end of 1985.

Justice on must-carry 12

The U.S. Justice Department has asked the Federal Communications Commission not to adopt new must-carry rules.

NBC News and Turner 14

After falling short of its goal for starting a cable news service, NBC News has resumed talks with Turner Broadcasting System about a possible co-venture.

Shuttle coverage 14

Before the nation riveted its attention on the space shuttle accident last week, CNN, The Discovery Channel and several local systems were carrying live feeds of the launch.

Cablevision stock 16

Cablevision System Corp.'s initial public stock offering sold out on the first day, despite a poor advance reception from financial publications.

Scrambling redux 18

U.S. Rep. Mac Sweeney, R-Texas, has introduced legislation to protect rural communities from losing satellite programming as more program services begin scrambling their signals.

Antitrust suit 18

An ad hoc citizens group has filed suit against Manhattan Cable, Time Inc., and Mayor Ed Koch, among others, alleging that the New York City system has discriminated against pay services not owned by Time Inc.

Showtime/TMC scrambles 20

Showtime and The Movie Channel began scrambling tests last week on its East Coast feeds. West coast test-scrambling is set to begin next week.

Montgomery County 21

The 4th U.S. Circuit Court of Appeals has ruled that Tribune-United Cable Co. should not be financially penalized for franchise violations as long as Montgomery County, Md., continues negotiations with the franchisee.

CTAM contest 23

The Cable Television Administration and Marketing Society will sponsor an open competition for case studies of marketing and operations in conjunction with CTAM's annual conference June 22-25 in Boston.

TCI restructuring 23

Tele-Communications Inc. has formed a western states division, making this unit the first of what will be three to six such divisions nationwide.

TOPICS

Programming 28

Programs and promotions from 27 MSOs and independent operators are vying for the second annual System Awards for Cablecasting Excellence. The 100 nominees in 30 categories are listed.

On Demand 36

Event Television has delayed the launch of its IPTV venture, while negotiations continue with film studios seeking to lock the program service into long-term contracts.

Financial Roundtable 38

In these boom times of buying and selling cable properties, this year's financial roundtable brings together five of the people most intensively involved in negotiating deals—the brokers and cable operators. They openly discuss wheeling and dealing in this first of a two-part series.

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The Weather Channel has endured the doubts of industry watchers to become a viable programming service. Now that the black ink is starting to flow, TWC officials are exploring several ancillary services.

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	220	3,600,000
Arts & Entertainment (A&E)	2,100	17,100,000
Black Entertainment Television (BET)	512	12,000,000
Cable News Network (CNN)	8,600	13,000,000
CNN Headline News	2,034	17,100,000
C-SPAN	2,000	21,000,000
CBN Cable Network	1,551	29,715,000
Country Music Television	300	5,000,000
The Discovery Channel	403	8,000,000
ESPN	1,474	16,700,000
Eternal Word Television Network (EWTN)	275	3,000,000
Family Grade II Network	0	000,000
Financial News Network (FNN)	1,200	20,000,000
Home Shopping Network	324	6,200,000
The Learning Channel	700	6,100,000
Lifetime	2,000	21,000,000
Modern Satellite Network (MSN)	300	10,100,000
Music Television (MTV)	1,800	27,800,000
The Nashville Network	1,000	23,800,000
National Christian Network (NCN)	50	1,200,000
National Jewish Television (NJTV)	237	1,200,000
Northeastern	2,000	26,200,000
Olivier	N/A	N/A
PTL The Inspirational Network	1,200	12,500,000
Satellite Program Network (SPN)	000	11,000,000
Silver Network	130	8,400,000
SIN Television Network	304	11,200,000
Tenney Broadcasting Network	600	1,000,000
USA Network	2,100	30,600,000
Video Hit One	718	8,000,000
The Weather Channel	1,800	19,700,000
WGN-TV	1,000	16,900,000
WOR-TV	1,004	1,100,000
WPIX-TV	152	2,040,000
WTBS-TV	11,040	18,210,000

Pay services

American Express	0	00,000
American Music Channel	140	2,700,000
Bravo	400	150,000
Cinemax	2,000	1,100,000
The Disney Channel	2,500	2,100,000
GalaVision	200	1,000,000
Home Box Office (HBO)	6,900	14,100,000
Home Theater Network (HTN)	400	000,000
Showtime	3,200	7,400,000
The Movie Channel	1,200	1,200,000
The Nostalgia Channel	70	700,000
The Playboy Channel	000	700,000
Private Ticket	1	N/A

Audio services

Cable Radio Network	14	1,000,000
KRTO Super Jazz	N/A	N/A
Lifestyle	100	1,000,000
Lifestyle AC	10	470,000
Moody Bible Institute	17	738,000
Satellite Radio Network	30	300,000
Star Ship Stereo Inc.	70	1,100,000
Stardance	N/A	N/A
WMT Chicago	152	1,100,000

Text services

AP News Cable	103	4,000,000
AP News Plus	0	100,000
Cable Sportstracker	8	425,000
Dow Jones Cable News	000	1,000,000
Electronic Program Guide (EPG)	240	7,200,000
EPG Jr.	17	87,200
FAX	4	1,000,000
Genesis Cable Storyline	21	600,000
Reuters News View	373	1,250,000
TV Decisions	100	2,826,000
UPI Data Cable	400	1,000,000
X Press	N/A	N/A

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Eup Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	4	93,000
Buffalo Sabres Hockey	8	450,000
Cable TV Network of New Jersey	35	1,045,000
The Ecumenical Channel	6	148,000
KTVT	78	1,594,000
Life NewsVision	24	36,000
Madison Square Garden	37	1,800,000
Meadow Racing Network	14	446,000
Metro Channel	2	135,000
Newsday Cable	1	240,019
Prime Ticket	N/A	825,000
Texas Cable Network	15	800,000

Pay services

Dodgevision	40	N/A
Home Sports Entertainment Houston Dallas	80	135,800
Home Team Sports	65	189,000
New England Sports Network	107	84,023
PRISM Philadelphia	86	280,000
Pie Am Sports	94	105,000
SportsChannel (New England)	69	95,000
SportsChannel (New York)	53	433,000
SportsVision Chicago	29	164,000
ZChannel	21	95,000

Announced services

Regional services	Expected Launch
Prime Ticket Network	1985

Satellite-fed services

ABC Pay-Per-View service	1st Quarter 1986
Apollo Entertainment Television	TBA
The Book Channel	2nd Quarter 1986
The BuenaVision Channel	TBA
Cablelix	TBA
Comedy Television	2nd Quarter 1986
Data Broadcasting Corp.	1st Quarter 1986
Discovery Computer Network	1987
Discovery Financial Network	4th Quarter 1986
Discovery Music Network	4th Quarter 1986
EdCamp Musical	2nd Quarter 1986
EdCamp Networks	TBA
Event Television	1986
Innovations In Living	1986
International Business Network	4th Quarter 1986
Magnatic	TBA
Mova Time	1986
The Peoples Choice	1986
Solcast National Digital Network	1st Quarter 1986
Telstar Pay-Per-View Service	1986

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention: Cable Stats, P.O. Box 5208, T.A. Denver, CO 80217.
N/A denotes not available.
TBA denotes to be announced.

Total SIN reach: Spanish-speaking households 4,114,400.
Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

Arts & Entertainment †

Alaska Tourism
Allstate Insurance
American Express
Armour-Dial
AT&T (various divisions)
Buick
Celestial Seasonings
Ford Motor Co.
General Motors
Hitachi
International Harvester
Italcable
Qantas Airlines
Ralston-Purina
Royal Viking Cruise Lines
Sperry
Wells Fargo

BET

Anheuser-Busch (R)
Campbell's Soup (R)
Carson Products (R)
Coca-Cola (R)
Columbia Pictures (N)
Frito-Lay (N)
Hershey (R)
McDonald's (R)
Mars Inc. (N)
Mobil Oil (R)
Nike (R)
Pepsi Cola (R)
Pro-line (R)
Proctor & Gamble (R)
Quaker (R)
Sears Roebuck & Co. (R)
Thompson Medical (R)
U.S. Marine Corps (R)
Venus De Milo (R)
Warner Bros. (R)
Warner Lambert (R)
Wendy's International Inc. (R)

C-SPAN*

Centel (R)
DuPont (R)
Gannett (R)
General Instrument (R)
Times Fiber (R)
Times Mirror (R)

The Discovery Channel

American Home Products
Architectural Digest
Barron's Weekly
Business Week
Charles Schwab
Consumer Reports
Dreyfus Fund
Esquire Magazine
Jack Anderson's Newsletter
Kent Collectibles
Life Magazine
Prudential Insurance
Psychology Today
Save The Children's Fund
Science 85
Smithsonian Magazine
Sports Illustrated
The New Yorker
Time Magazine
Transamerica Occidental
USA Today
Wall Street Journal
Working Women Magazine

FNN

Allstate (N)
American Cyanamid (N)
AT&T (R)
Best Western (N)
Bureau of Business Practices (N)
Car-Quest (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chicago Mercantile Exchange (N)
Chrysler (R)
Clayton Brown (N)
Commodore Computers (N)
CSX Corp. (N)
Dow Jones (R)
Dreyfus (N)
Ford Corp. (R)
GMAC (R)
GM Corp. (R)
Golden Nugget (N)
The Hartford Insurance (N)
Harris Corp. (N)
Hayes Corp. (R)
Hong Kong Tourist Bureau (R)
International Trading Group (N)

InterNorth (R)
Intex (N)
ITT (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Navistar (N)
Norelco (N)
Nynex (R)
Paramount Home Video (N)
Precision Tune (N)
Reichold Chemical (N)
Rockwell (N)
United Airlines (R)
USA Today (N)
U.S. Postal Service (N)
Wall Street Journal (R)
Western Futures (N)
Xerox (R)
Zion Banking (R)
Zweig Forecast (R)

The Learning Channel

Barron's (R)
Charles Schwab (R)
Investor's Daily (R)
Smithsonian Magazine (R)
Standard & Poor's (R)
Time + Life Books (R)
Working Woman Magazine (R)

The Silent Network ‡

Campbell's Soup
Hallmark Cards
Kal Kan
Mattel Toys
Solarts
Ultratec

SPN ‡

AT&T
Bayer
Beechnut
Budweiser
Casio
Continental Airlines
Evenflo
Fisher-Price
Gerber
Heinz
Hilton Hotels
Huggies

Ivory Snow
Johnson & Johnson
Kodak
Maytag
Norelco
Playboy Magazine
Playtex
Redman Chewing Tobacco
Rubbermaid
Sears
Time + Life
Tropicana
United Airlines
Valvoline
Vaseline
Windjammer
Yamaha

The Weather Channel

American/Hawaii Cruises (N)
American Home Products (R)
AH Robbins (R)
Carnation (R)
Champion/Anco (N)
Columbian Coffee (N)
Italcable (R)
Kimberly-Clark (R)
Kraft (R)
La Quinta (R)
Michelin (R)
Nabisco
Pearle Vision Centers (N)
Proctor & Gamble (R)
Puerto Rican Tourism (R)
Quaker Oats (R)
Ralston-Purina (R)
S.C. Johnson (R)
Security Chains (R)
Sterling Drugs (R)
United Airlines (R)

(R) denotes renewal claim.
(N) denotes new claim.
‡ denotes information not available.

*Listing is comprised of both advertisers and program underwriters.

†New and renewal information not available.

Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.

FEBRUARY 20, 1986

C4722-2

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

HBO SOFTENING OPPOSITION TO PPV

GROUP W SPLIT-UP UNCERTAIN AS NEW PLAYERS EMERGE

DISNEY CITES STRONG SUBSCRIBER GAINS

TVRO INDUSTRY SEEKS WAYS TO BEAT SCRAMBLING BLOW

SYSTEM MARKETING OPTIONS: PERSONAL SALES STILL MAINSTAY

WE'RE SQUEEZING A LOT MORE FUN INTO THE SAME SIZE TUBE.

And you've been chosen to receive 30 days of...

FREE! 27 channels (worth \$10)
FREE! Video (up to 10) (worth \$5)
FREE! Movies (up to 10) (worth \$5)

Plus FREE INSTALLATION (worth \$25)!
Total value: up to \$50 FREE!

LET'S TAKE A FEW MINUTES TO COMPLETE Your VIEWER PROFILE

CHOOSE International performing arts from around the world

CHOOSE The biggest Hollywood hits

CHOOSE Broadway musicals, concert specializations and religious specials

CHOOSE 24-hour championship sports

And clear reception on every channel!

CHOOSE 24-hour in-depth news

CHOOSE New adult entertainment

CABLE TV IS HERE!

Before you try sell a system yourself, consider what you're getting into.

GIMME FIVE.

Announcing more cable TV programming!

Let me show you a few ways of saying "I need new channels" on the tube.

And since many people have been happy to bring you their own TV, we've made it even easier. Add it to our cable service. Cancel that old TV. We'll handle the rest. TV as easy as all our other features.

If your TV won't tune in, we'll send you a new one. Some (limited) cable viewing is also available by our office for a fee.

ATTENTION VCR owners!

Get the MOST from your VCR.

McGraw Cablevision

707-583-1000

CableVision

LEADING THE WEEK

Fuchs on PPV 11

Home Box Office Chairman and Chief Executive Officer Michael Fuchs last week told the Washington Cable Club "there maybe a time and a place" for PPV.

Disney subs growing 12

The Disney Channel added more than three-quarters of a million subscribers last year, making it the fastest-growing pay channel.

Showtime marketing push 16

Showtime/The Movie Channel officials have pledged an all-out marketing

effort in 1986 to ensure growth for their services.

Group W Breakup 18

Despite concern over tax liabilities, the buyers of Group W cable have begun revealing their uncertain plans for final ownership of the properties.

Van Valkenburg picked 19

A/T-C and Houston Industries have named David Van Valkenburg, former president of Cox Cable, as the president and CEO of their new joint cable operating company.

Scrambling impact 20

The TVRO industry is coming to terms with the reality of scrambling.

Billing regulations 21

The Massachusetts Cable Television Commission has proposed new regulations to govern the billing and disconnect practices of cable operators.

Must-carry deadline 24

Top officials of broadcasting and cable are meeting in an attempt to reach a compromise before the broadcaster-imposed Feb. 15 deadline.

TOPICS

Programming 26

The unofficial consortium of regional sports programming executives will meet in Florida this March to map out their game plans for the month ahead.

MTV will launch the *MTV International Hour* this June. The monthly series will feature foreign videos from all over the world.

System Profile 32

Media General of Fairfax, Va., with aerial wiring nearly completed, has found a solution to unusual problems that have slowed the underground portion of the new build.

Marketing 39

MTV President Bob Pittman told a luncheon of the National Academy of Television Arts and Sciences recently that basic cable network's need to sell advertising as though selling ads for a specialized consumer magazine.

Financial Roundtable, Part II 40

Brokers and cable operators conclude their discussion about the trends in today's hot cable market.

Business 45

Time Inc. reports a drop in profit, while revenues continue to climb. Fourth quarter results for video were slightly below expectations.

Media Watch 47

The Television Bureau of Advertising reported last week that cable viewing gained over broadcast last year, although over the air viewing growth surpassed cable in the fourth quarter.

Two technical innovations at the recent NABTE convention drew special interest, including a Japanese high definition television system and a new Ku-band satellite network.

Departments

Products 48

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GIMME FIVE.

ATTENTION VCR owners.

Get the MOST from your VCR

MCCAW CABLEVISION

Cover story 34

Among the variety of advertising and promotional options used by cable systems to boost their subscriber bases, direct sales and telemarketing campaigns continue as the mainstays of MSO marketing plans for 1986.

MEDIA WATCH

TV ad bureau notes shift in viewer habits

NEW YORK In reporting a record level of daily television viewing for 1985, Television Bureau of Advertising analysts observed that on average, viewers spent a little less time viewing broadcast programming last year, and a little more time watching cable material. But they also stressed that the trend had shown a marked reversal in favor of over-the-air TV during the fourth quarter.

Drawing its conclusions last week from A.C. Nielsen's unpublished 1985 data, the bureau noted that daily television viewing averaged seven hours and 19 minutes per

household in 1985, a two-minute increase from the previous year. Since 1975, average daily TV usage, as charted by the broadcast-supported 16.6-minute day, has gone up anually by at least three minutes. Last year's results, while a record, represent the simplest rise in nearly a decade.

On average, each American television household viewed over-the-air programming set hours and 41 minutes per day, five minutes less than in 1984, according to the report. By contrast, basic cable services were turned on 14 minutes per day per household, five

minutes more than one year earlier, and pay cable services were watched 27 minutes per day per household, a two-minute gain over the 1984 level. The sum of the three categories does not match up with the overall daily viewing figure because of duplication among multi-set households.

However, TVB officials noted that as the year progressed, the viewing time for broadcast increased while the level for basic cable stabilized and pay cable lost ground. For the first eight months of 1985, over-the-air viewing averaged six hours and 20 minutes, compared with 14 minutes for basic services and 28 minutes for pay services. From September on, broadcast viewing time averaged six hours and 41 minutes per household, while basic service remained at 14 minutes and pay channels went to 26 minutes.

Roger Rice, TVB's president, labeled that part of the trade organ's report "especially significant," claiming that it reversed the prevalent trend of declining broadcast and increasing cable audience shares over the last few years. One analyst there guessed that the September-December result was based on NBC's resurgence in the prime time ratings this season, increased VCR use and more attractive programs on independent stations.

Cabletelevision Advertising Bureau officials declined to comment on TVB's report last week, saying that they needed more time to study its findings.

—Simon Applebaum

Average viewing time spent per TV household per day/1983-1985

(hours, minutes)

Year	All Services	Over The Air Channels	Basic Services	Pay Services
1983	7:02	6:30	24	27
1984	7:08	6:36	29	25
1985	7:10	6:41	14	27

NOTE: All services figures do not match sum of other categories because of duplication within multi-set households.

Source: A.C. Nielsen and Television Bureau of Advertising.

Hi-tech draws interest at NATPE

NEW ORLEANS While the focus at the recent National Association of Television Programming Executives convention was almost exclusively programming, a couple of technical innovations drew special attention, particularly a Japanese high definition television system called "Hi-Vision."

Presented at a NATPE session on new technology, the system also drew crowds at the NHK Enterprises booth. The system employs more than twice the usual number of scanning lines—1,125 against the now standard 525. In addition, it carries more than five times the amount of pictorial information of current systems and can allow wide-screen images at a 4:3 ratio instead of the standard 14:9. Hi-Vision is particularly valuable for large-screen applications, NHK says, because the increased number of scan lines radically reduces the fuzziness and grain-

iness often in appeal to the viewer's eye.

Naohiko Shimada, a representative from the Hi-Vision Program Engineering Project at NHK, said a NATPE Hi-Vision booth for the high definition wide-screen system for the future, adding that the system's high-grade PCM stereo sound was another factor in enhancing its appeal. Shimada said that work on the project had begun 10 years ago at NHK by the company's technical research laboratories, and that it reached continued in developing a "brand" compression technology that would allow for use of the NHK system on smaller channels.

Shimada was conservative in his projections about when the Hi-Vision system might find acceptance in the American television market. He said the system would be incompatible with existing TV receivers, and initial

Hi-Vision monitors would probably cost in the \$2,000 range.

Also presented at the technology session was a Kiriband satellite news gathering (SNG) network being established by Comco Communications of Minneapolis. The system, which currently has 11 member stations across the country, uses a fleet of mobile news-gathering vans to uplink news reports to RCA Americom's recently launched K-1 satellite.

Charles Dutcher, vice president and general manager of Comco, said the company currently has leased three transponders on the satellite and would soon increase that number to five.

Turner Broadcasting is also looking into Kiriband satellite news-gathering, and is planning to launch a system similar to that of Comco by the second quarter of this year. The company is saying that it hopes to have 30 affiliates signed up in its first year.

—John Molavadi

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH

Satellite lineup

Satcom III-R (RCA Americom)

	Transponder
Arts & Entertainment	24
BET	20
CNN Cable Network	28
Cinemax (West)	22
ESPN (Blackout)	7
External World Television Network	12
Financial News Network	14
Genesis Storytime	8
HBO (West)	18
HTN	16
Home Shopping Network	26
The Learning Channel	16
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	3
Reuter Monitor Service	18
Showtime (West)	10
SPN	6
Stingline	13
TV Decisions	24
The Learning Channel	16
Trinity Broadcasting Network	2
Video Hits One	17
Viewer's Choice	20
The Weather Channel	21

Satcom IV (RCA Americom)

	Transponder
American Movie Classics	10
Biznet	6
Bravo	2
C O M B Value Network	2
Bit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	1
Madison Square Garden	6
New England Sports Network	13
Nickelodeon (West)	1
Nostalgia Channel	22
The Playboy Channel	23
Prime Ticket	24
The Silent Network	6
SportsVision	6
WPIX - New York	19

Westar III (Western Union)

CNN	2
-----	---

Westar IV (Western Union)

Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Westar V (Western Union)

Famous Unrestricted Network (FUN)	24
FUN Weekend Pay per view	24
The Meadows Racing Network	22
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

	Transponder
American Exotic	19
Country Music Television (CMTV)	18
KTTV (Dallas)	22
Solar TV	13

Galaxy I (Hughes)

	Transponder
CNN Cable Network	11
Cinemax (East)	19
CNN	7
CSPAN	13
The Discoveries Channel	22
The Disney Channel (East)	4
(West)	24
ETN	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	6
Kerlan National Television Magazine	18
Moodly Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Sedburg Lifestyle Music	3
Showtime (East)	5
SN	6
Stingline	13
WGN	3
WOR-TV	15
WTBS	18

Spacenet I (GTE)

ACTS	15
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Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1	Time Warner Entertainment Co.	1,178,621
2	American Television and Communications Corp.	1,093,140
3	Group W Cable	1,070,000
4	Storer Cable Communications	1,027,000
5	Cox Cable Communications	1,000,000
6	Warner Amex Cable Communications Inc.	1,000,000
7	Continental Cablevision	1,000,000
8	Times Mirror Cable Television Inc.	990,000
9	United Cable Television	970,000
10	Newhouse Broadcasting	967,000
11	Viacom Cablevision	960,000
12	U.S. Cablevision Corp.	950,000
13	Spectrum Communications Inc.	940,000
14	Horizon Communications Inc.	930,000
15	Cablevision Co.	900,000
16	Rogers Cablevision Inc.	880,000
17	United Cablevision Inc.	870,000
18	Comcast Cable Communications	860,000
19	Telecom Corp.	850,000
20	McGraw-Hill Communications	840,000
21	Capital Cities Cable Inc.	830,000
22	Prime Cable Corp.	820,000
23	American Cablevision Corp.	810,000
24	Group W Cable Television Company	800,000
25	Wometex Cable TV Inc.	790,000
26	New Line Cable Corp.	780,000
27	Cablevision Inc.	770,000
28	Danish & Associates	760,000
29	TV Group	750,000
30	Multi-Channel Cablevision Inc.	740,000
31	Maclean Hunter Cable TV Ltd.	730,000
32	United Cable TV	720,000
33	Spectrum Cable	710,000
34	Telecom Corp.	700,000
35	Telecom Cable Communications	690,000
36	Cablevision Inc.	680,000
37	Ballantyne Cablevision	670,000
38	Adelphi Cablevision	660,000
39	Service Electric Cable TV Inc.	650,000
40	Orlando Communications Corp.	640,000
41	Communications Systems Inc.	630,000
42	Western Communications	620,000
43	TECH Cablevision	610,000
44	TECH Ltd.	600,000
45	Cablevision Inc.	590,000
46	Southern Cablevision	580,000
47	Cablevision Inc.	570,000
48	Atlanta Broadcast Communications	560,000
49	Harbor Cable Communications	550,000
50	Harbor Communications	540,000
51	Rubin & Associates	530,000
52	Harbor Cablevision	520,000
53	United Group	510,000
54	Harbor Cable Corp.	500,000
55	Greiner Media Cable	490,000
56	Telecom Inc.	480,000
57	Armed Forces Television	470,000
58	Summit Communications	460,000
59	The Essex Group	450,000
60	Media General Corp.	440,000
61	U.S. Cable Corp.	430,000
62	Communications Systems Inc.	420,000
63	Multi-Channel TV Cable Inc.	410,000
64	Summit Communications	400,000
65	McDonald Group	390,000
66	King Video Cable Co.	380,000
67	Booth Cablevision	370,000
68	McClatchy Newspapers	360,000
69	Marcus Communications	350,000
70	WEBCO Video Inc.	340,000
71	Palmer Communications	330,000
72	Perry Cable TV Corp.	320,000
73	Cable Management Associates	310,000
74	Sonic Communications	300,000
75	Omega Communications	290,000
76	Midcontinent Cable Systems Co.	280,000
77	Southeastern Broadcasting	270,000
78	Perce Service Inc.	260,000
79	Clear TV Cable Associates Ltd.	250,000
80	Selkirk Communications	240,000
81	National Telecommunications Corp.	230,000
82	Marsh Media	220,000
83	Helicon Corp.	210,000
84	Northland Communications Corp.	200,000
85	The Daily Press	190,000
86	Masada Corp.	180,000
87	Acton Corp.	170,000
88	United Video Management	160,000
89	First Carolina Communications Inc.	150,000
90	Communications	140,000
91	Wisconsin Cablevision and Radio Co. Inc.	130,000
92	Tele-Media	120,000
93	Proseman Communications	110,000
94	Chamber Cable Comm. Inc.	100,000
95	Joseph Gans Cable TV	90,000
96	State Cable TV	80,000
97	Domer Cablevision	70,000
98	Cable Holdings Inc.	60,000
99	Dividen Communications	50,000
100	Matrix Enterprises	40,000

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention: Cable Stats, P.O. Box 3208 T.A., Denver, CO 80217.

Top 100 systems

Rank	Location	Operator	Basic subs
1	San Diego, CA	Cox Cable	284,963
2	Wheatbury Long Island, NY	Cablevision Co.	242,946
3	Manhattan, NY	ATC	209,900
4	San Antonio, TX	Hughes Cablevision	200,205
5	Florida Division (Orlando/Orlando Beach)	ATC	193,700
6	Houston, TX	Warner Amex	194,300
7	East Orange, NJ	Marion Hunter	174,915
8	Honolulu, HI	ATC	170,490
9	Phoenix, AZ	Times Mirror	142,000
10	San Jose, CA	Storer Communications	140,539
11	Waco, TX	U.S. Cablevision	140,500
12	Tulsa, OK	United Cable	137,718
13	Cincinnati, OH	Warner Amex	137,000
14	Englewood, CO	United Cable	131,000
15	Plainsville/Hartford	United Cable	130,000
16	Manhattan, NY	Group W Cable	126,400
17	Asheville, NC	New York Times	123,437
18	Chapel Hill/Asheville, NC	Cox Cable	124,961
19	Atlanta, GA	Group W Cable	120,750
20	Long Island, NY	Prime Cable Corp.	119,000
21	Hillman County, MT	U.S. Cable	117,629
22	Washington, DC	ATC	117,000
23	St. Louis, MO	Continental	115,000
24	Jacksonville, FL	Continental	110,000
25	Seattle, WA	Group W	109,700
26	San Jose, CA	Cablevision	107,200
27	Murphy, TX	ATC	106,000
28	Columbus, OH	Hurricane Cablevision	104,000
29	Central Islip/Long Island, NY	Viacom	103,000
30	San Jose, CA	Harbor Cable Corp.	102,875
31	Austin, TX	ATC	102,500
32	Charlotte, NC	ATC	101,700
33	Jefferson Parish/Kenner, LA	Cox Cable	97,229
34	San Francisco, CA	Viacom	93,000
35	Warren, NJ	TRB Cable	92,978
36	San Diego, CA	ATC	92,100
37	Seattle, WA	Viacom	92,000
38	Wilmington, DE	Hollins Cablevision	90,649
39	Dallas, TX	Heritage	90,499
40	Portage, VA	Media General	90,012
41	Los Angeles, CA	Falcon Communications	88,137
42	Grand Rapids, MI	U.S. Cablevision	85,000
43	Albuquerque, NM	American Cablevision	84,500
44	Tomball, TX	ATC	80,700
45	Waco, TX	Multi-Media Cablevision	80,198
46	New Orleans, LA	Cox Cable	79,914
47	Dade/Broward, FL	Storer Cable	79,717
48	Dayton, OH	Tele-Communications Inc.	79,696
49	Cape Canaveral, FL	Viacom Cable	78,600
50	Indianapolis, IN	Indianapolis Cablevision	76,786
51	Radius Ridge, VA	Cablevision Co.	76,318
52	South Texas, TX	Heritage Communications	76,224
53	Rossmore, VA	Cablevision	75,524
54	Richmond, Hampton, VA	Continental	75,250
55	Long, MI	Continental	73,515
56	San Jose, CA	Cable TV of the Pacific Sound	72,436
57	South Bend, IN	Heritage Communications	71,173
58	Albany, NY	Service Electric	70,000
59	Cleveland/Hughes, OH	Viacom	70,000
60	Greensboro, NC	ATC	69,200
61	San Jose, CA	Group W	68,000
62	Orlando, FL	Cox Cable	67,917
63	Chicago, IL	Group W	66,840
64	Albuquerque, NM	ATC	65,800
65	New York, NY	Viacom	65,000
66	Keosauqua, IA	ATC	64,800
67	Columbus, OH	Warner Amex	64,670
68	St. Petersburg, FL	Group W	64,500
69	St. Louis, MO	New Channel Corp.	63,899
70	Buffalo, NY	Tele-Communications Inc.	63,898
71	Akron, OH	Warner Amex	63,500
72	Dorset/Concord (Malden), MA	Warner Amex	63,180
73	Hartford, CT	Times Mirror Cable	62,882
74	Monterey, CA	Western Communications	62,847
75	Fortyville, NC	ATC	62,100
76	El Paso, TX	Group W	62,000
77	Las Vegas, NV	Times Mirror Cable	61,892
78	Des Moines, IA	Heritage Communications	61,538
79	San Barbara, CA	Cox Cable	61,417
80	Madison, WI	Tele-Communications Inc.	61,257
81	Shelton/County, WA	Viacom	61,000
82	Oakland/Alameda, CA	Cox Cable	60,830
83	New Haven, CT	Storer Cable	60,682
84	Sarasota, FL	Storer Cable	60,631
85	Albany, GA	Storer Cable	60,253
86	West Palm Beach, FL	Group W	60,000
87	Metairie, LA	Cablevision	60,000
88	Sarasota, FL	Storer Cable	59,967
89	Huntingham, AL	ATC	59,400
90	El Paso, TX	Summit Communications	59,000
91	Oakland County, MI	United Cable	59,000
92	Harrisburg, PA	Summit Communications	58,600
93	New Britain, CT	United Cable	58,282
94	Hartford, CT	Cablevision Co.	57,800
95	Indianapolis, IN	Scripture Howard	57,100
96	Charleston, SC	ATC	56,969
97	Chicago Suburbs (Oak Park, IL)	Storer Cable	56,790
98	Knoxville, TN	Tele-Script	56,715
99	Albuquerque, NM	Tele-Script	56,503
100	Standard/Fairfield, CT	Cablevision Co.	56,364

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention: Cable Stats, P.O. Box 3208 T.A., Denver, CO 80217.

FEBRUARY 17, 1986

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CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

TCI DECIDES TO TEST ITS OWN APPROACH TO PPV

CABLE, BROADCASTERS STILL AT IMPASSE ON MUST-CARRY

MTV BROADENING PROGRAMMING FORMAT WITH SERIES RUN

NO QUICK TURNAROUND SEEN IN ADDRESSABILITY MARKET

**ANNUAL CONSTRUCTION SURVEY:
'86 SPENDING PUT AT \$1.2 BILLION**



CableVision

LEADING THE WEEK

TCI re-thinks approaches 11

Negotiations with Hollywood studios have begun as Tele-Communications Inc. prepares to test a pay-per-view scheme of its own in several of its systems. The Denver-based MSO has also revamped its policies on subscriber fees.

Must-carry talks 12

The possibility for a must-carry compromise between cable and broadcasting is fading as the FCC Feb. 25 deadline nears for filing reply comments. Consequently, the NCTA may go its own way with a plan to use A/B switches.

SPACE legal actions 12

A request to the Federal Communications Commission to deny Viacom International's purchase of KMOX-TV from CBS Inc. is first of several legal actions expected from SPACE, the backyard dish industry association.

Grand Jury in Queens 13

A Grand Jury is investigating possible corruption in the awarding of three cable franchise contracts in Queens, N.Y..

CRTC dereg plan 13

The Canadian Radio-television and Telecommunications Commission brought its cable deregulation proposal before the nation's operators.

The Monkees on MTV 16

Calling them the nation's first "TV video band" MTV will add *The Monkees* off-net television series to its format in an effort to strengthen its reportedly sagging viewership.

Montgomery Cty. dispute 18

The dispute in Montgomery County continues after a year, now with the chance of ending up in the courts if Hauser Communications, Tribune-United and county officials don't reach a settlement.

WTBS, NBA deal 18

WTBS will continue exclusive coverage of the National Basketball Association through mid-1988 after signing a \$25-million contract with the league.

Massachusetts rules 21

The Massachusetts Cable Television Commission has proposed new regulations to govern the billing and disconnect practices of cable operators in that state.

High honors 22

Cable News Network has garnered an Alfred I. duPont Columbia University Broadcast Journalism Award for its *Iran: In the Name of God* series of special reports.

Pennsylvania porn 22

The chairman of Pennsylvania's House Judiciary Committee vowed to prevent passage of a state bill to control obscenity on cable television.

TOPICS

Programming 26

Political cablecasts by senators have proven to be a supplement as well as a less expensive alternative to town meetings and visits to their home states.

On Demand 28

Event TeleVision brought vendors and operators together in Denver, sparking needed communication about the needs of operators as they attempt to get PPV off the ground.

Business 44

James Palmer, former chairman of COR Electronics and a member of the board of directors, is leading a group of shareholders in the sale of their interest in the Pennsylvania-based company. Also in Business, District Cablevision Limited Partnership, winner of the Washington, D.C. franchise, has asked the D.C. Public Service Commission to lower the rates which the Chesapeake and Potomac Telephone Co. can charge for access to conduits.

Departments

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Cover story 32

CableVision's 1986 Construction Survey shows yellow lights flashing in MSO budgeting for hardware, newbuilds and upgrades. However, the future still looks promising as long as there is a need for maintenance, a demand for better equipment and the addition of new subscribers in already wired markets. Planning for the addressable converter market also has inspired wariness after last year's optimism led to inflated inventories.

COVER STORY

Construction survey '86

At \$1.2 billion, things could be much worse

With caution prevailing on all sides, whatever surprises may be in store for the 1986 construction market in cable television should pan out to be in the plus column. And given the uncertainties underlying operators' budgeting for 1986, such surprises could abound.

The results of this year's *Cable-Vision* Construction Survey predict an overall hardware and construction outlay of \$1.21 billion for 1986, against actual expenditures of \$1.306 billion in 1985, representing a drop of 7 percent. In terms of total plant mileage, the falloff is sharper, with total mileage planned in newbuilds and upgrades for 1986 at 56,827 miles versus 64,735 miles in 1985, representing a reduction of 12 percent.

That the percentage drop in actual dollar outlays will be lower than the percentage decline in construction mileage is a function of higher projected purchasing levels in subscriber equipment and, to a lesser extent, production gear. Projected spending in converters for 1986 comes to \$432 million, \$323 million of which will be for addressable converters, as opposed to outlays in 1985 of \$383 million, \$264 million of which went to addressable boxes (see accompanying story this page). Also up over last year is projected spending for commercial insertion equipment, pegged at \$12.1 million for 1986 versus \$8.3 million.

Where caution manifests itself most vividly in operator projections is on the upgrade side of the ledger. Last year, upgrade and rebuild mileage, at 28,057 miles, represented 43 percent of the total construction mileage. This year the 26,195 projected rebuild mileage total equals 46 percent of the pie—only a slight difference in an environment where, clearly, there remains a huge amount of work to be done as franchises come up for renewal.

Commented one of the respondents to this year's construction survey, all of whom were promised anonymity, "We know we have to upgrade far more than we have; the question is when. Until things settle out in the acquisitions market, we're not going to be putting the attention and money we'd like into upgrades."

Another factor in the projections

that could turn out to be stronger than the figures indicate for 1986 is the new-build mileage. Again, operators were budgeting cautiously in light of the confusion over timetables in what's left of the big city construction schedule.

But even if this year's construction market remains at or near the projected totals, the outlook is far from daunting. At \$1.2 billion, the annual construction out is less than the 1982 peak of \$1.7 billion but not nearly as far off as some observers expected.

According to Gordon Halverston, vice president for CATV sales and marketing at Anixter Communications, a number of factors are contributing to his assessment that "cable will always be a very solid business for us." In the first place, he noted, unavoidable corrosion, especially along salt water coastal areas, keeps the demand for replacement parts high. Moreover, he noted, the need for improved quality in connectors as ever more gadgets interface with the cable

line and low-quality imported connectors wear out keeps the market in drop cable, connectors and other fittings hopping.

Halverston also noted that while the demand for aerial plant gear from his warehouses has dropped as much as 20 to 25 percent, underground building requirements remain strong, reflecting the continuing extension of cable systems into new subdivisions where underground wiring is required.

Another firm with its ear to the ground is Burnup & Sims. There, according to Kevin Lynch, vice president of B&S subsidiary Capscan Cable, the thinking is that while the market will drop by about 8 percent in 1986, which is less than the 12 percent mileage decline envisioned in this year's *Cable-Vision* construction survey, the upgrade percentage of the construction total will continue to rise.

The race to wire America is all but completed, but cable construction remains an ongoing task. Maintenance and parts replacement, extensions of existing systems into new subdivisions, the addition of new subscribers in already wired markets and the mounting demand for more sophisticated subscriber equipment all combine to ensure continuing viability no matter what the timetables for upgrades and the remaining newbuilds turn out to be.

Addressability: cautious sellers may be surprised

By Virginia Munger Kahn

A person could get vertigo trying to adjust a company's planning to the needs of the addressable converter market. Just as manufacturers are struggling to get out from under inflated inventories created by over optimism about the sales prospects for 1985, there are signs that their wariness about the 1986 market could leave them scrambling to keep up with orders.

Operators' uncertainties about pay-per-view and the benefits of addressability combined with the slow pace of construction and rebuilding led to an estimated 15 to 20 percent drop in addressable converter sales during 1985 compared to 1984. According to estimates provided by converter manufacturers, the number of units shipped last year was 3.1 million against 3.5

million to 3.7 million the year before.

As a result, manufacturers, who expected a surge in 1985, are extremely cautious about the prospects for this year and point to the initial sales pace as further cause for concern. But the budgetary planning of operators appears to be pointing in another direction, toward increasing sales that could put the market over the \$300 million mark for the year.

Two surveys of *CableVision* magazine support this view. In the construction survey (p. 34), projections from statistics supplied by respondents indicate planned purchases in 1986 will be in the \$323 million range as opposed to the \$264 million that was spent in 1985. And in another study, the magazine found that 40 percent of the cable systems responding to a questionnaire definitely or probably will purchase addressable converters in 1986.

But, as encouraging as these signals might be, manufacturers are probably well advised to remain cautious, insofar as the timing of the industry's movement toward addressability is

(Continued on p. 36)

Construction Forecast

New plant construction (in miles)

1985
actual

1986
projected

Underground	10,423	9,752
Aerial	26,255	21,880
Total	36,678	31,632

Cost (\$ in thousands)

Antennas and towers	\$ 4,926	\$ 1,789
Microwave equipment	13,491	10,502
Headend	31,908	23,842
Line amplifiers	91,380	74,482
Cable, trunk & feeder	82,795	67,728
Cable, drop	41,351	33,211
Taps and outlets	21,315	17,302
Earth stations	18,391	14,554
Traps	15,812	9,789
Commercial insertion equipment	8,297	12,214
Other studio and mobile production gear	12,429	10,504
Construction services (make ready, strand mapping, etc.)	88,603	72,880
Construction labor and equipment	230,176	192,963
Total	\$660,874	\$541,760

Replacement plant construction (in miles)

Underground	7,384	6,065
Aerial	20,673	20,130
Total	28,057	26,195

Cost (\$ in thousands)

Antennas and towers	3,756	3,738
Microwave equipment	15,775	13,175
Headend	20,541	22,454
Line amplifiers	51,562	53,537
Cable, trunk & feeder	38,255	31,806
Cable, drop	41,891	40,830
Taps and outlets	14,527	12,514
Traps	6,751	6,386
Total	252,058	234,440

Subscriber equipment (\$ in thousands)

Converters—non-addressable	119,725	108,642
Converters—addressable	263,567	323,189
Add-ons (VCR interface, FM hookups, remotes, etc.)	9,824	10,761
Total	393,116	442,592

Grand total

1,306,048	1,218,792
------------------	------------------

The results of this survey are based on data supplied by NAB's and its members' construction departments. Figures are preliminary and subject to change. All numbers are estimates and may vary from actual figures.



'We are one of the few [sellers of off-premise systems] left and we hope we can continue. The industry is not quick to grab on to new equipment.'

—Jim Quigley

very much a function of its response to pay-per-view.

Right now, according to Dantia Quirk, publisher of the newsletter "Addressability Update," the number of addressable homes is in the neighborhood of 6.7 million, a figure that squares with other researchers' efforts to get at the size of the addressability base. Quirk said that earlier figures for 1984, which she termed less reliable than her current numbers, put the base at 5.3 million.

Assuming the latter figure is accurate, it would mean the number of addressable homes increased by 1.4 million or 26 percent during the past year. (Presumably, the remainder of the 3.1 million addressable boxes shipped in 1985 were replacements for earlier generation gear.) Should the trend continue, the addressable subscriber base at the end of 1986 could top 8 million, which would come a lot closer to the threshold base that most observers believe is essential for the viability of nationally delivered pay-per-view services.

Flat sales

According to manufacturing executives, unit sales for 1985 began relatively flat, if not slightly down from 1984, with the downward trend picking up speed in the second half of the year.

"We all built up these huge inventories" at the end of 1984, said one manufacturing representative. By the middle of 1985, predictions on unit sales did not come true and an intense period of cost cutting has ensued, she said.

The pressures on margins from the falloff in sales are expected to be re-

flected in the financial reports these companies will issue over the next few months. According to General Instrument, whose fiscal year ends in February, revenues in the broadband communications group will be down about 10 percent from last year's \$340 million in sales. For Zenith Electronics, nine-month cable product sales plummeted 68 percent to \$50 million in 1985 compared to the same period 1984.

However, Scientific Atlanta, whose fiscal year ends in June, reported an increase in communications group revenues for the first half of 1985 to \$284.4 million compared to 1984, but a slight decrease for the second half to \$144.2 million compared to the same period the year before.

'I think most [manufacturers of off-premise systems] have abandoned the idea of ever making a go of it.'

—Ed Knapp

According to figures supplied by the companies themselves, General Instrument's Jerrold division held on to its pre-eminent position in the market by shipping 1.2 million to 1.3 million addressable converters last year—more than 38 percent of all addressable units shipped in 1985. According to a spokesman for the company, General Instrument actually increased its share of the addressable market as a result of the strong performance of Tocom's new baseband converter, the Tocom-VIP. The total installed addressable base for Jerrold reached 4.9 million units, with Tocom claiming an additional 425,000 units in the field.

Scientific Atlanta, which claims the number two spot in the market, and is rapidly gaining additional market share, shipped 800,000 converters last year or about 25 percent of the total 3.1 million units shipped. The total installed base for Scientific Atlanta reached 1.7 million units last year.

According to Zenith, it held on to its third place position with 15 percent to 20 percent of the total addressable market last year. While the company did not release figures, a spokesman said that unit sales are anticipated to be "substantially lower" than 1984 figures of 1.2 million units shipped. Zenith has 3 million converters in the field, the company said.

According to Oak Communications President John Donohue, his company shipped 225,000 addressable units last year, down from 300,000 units in 1984. Oak has a total installed base of 1.5 million addressable converters.

Off-premises systems

Selling off-premises addressable systems proved even more difficult than in-home systems. Some manufacturers, including C-COR Electronics and Augat, reported they were no longer actively marketing their product. "The market is just not there," said Ed Knapp, market development manager for Augat Broadband Communications Group. "By the first quarter of 1985, it became apparent to us."

Knapp blamed the technology's difficulties on consumer disinterest in interactive services and concomitant operator unwillingness to make the necessary capital investments. The technology's potential market shrunk further as on-premises equipment became less expensive and more reliable, he said. "I think most [manufacturers of off-premises systems] have abandoned the idea of ever making a go of it," said Knapp.

There are exceptions, however, and both Pico Products and AM Cable In-

In-home addressable converters

Manufacturer Contact	Product	Channel capacity	Price	Security
Eagle Comtronics Joe Cifuni vice president sales and marketing (800) 448-7472	ES-1000 1000 channels	1000 channels 1000 channels	\$100	encrypted VCR time-shifting
Hamlin Ray Hostie vice president sales and marketing (943) 451-8445	CH-1000 1000 channels	1000 channels	\$100	random synch out of phase
Jerrold Division General Instrument Hal Koberger at and general manager, consumer electronics division Peter Lerner at marketing (212) 614-4000 (212) 614-4000	Model 1000 1000 channels	1000 channels 1000 channels	\$100	random dynamic scrambling audio and video on off channel during data structure
Kanematsu-Gosho Nellie Galtara manager sales and marketing (201) 271-7544	Model 1000 1000 channels	1000 channels	\$100	dynamic switched dynamic switched audio and video time-shifting
M A-COM Mike director of marketing (800) 448-7472	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting
Magnavox Rich Renda product manager converters and headends (800) 448-7472 (800) 522-7464	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting
Oak Communications Mike C. Hughes vice president general manager cable TV division (619) 485-4400	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting
Pioneer Tom Calabro vice president sales (614) 875-0771	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting
Regency Peter W. Smith president John M. Smith director of operations (315) 421-4400	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting
Scientific-Atlanta Steve Necesary market manager subscriber products (404) 925-5057	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting
Tocom Division of General Instrument John Koberger product manager Tocom Plus systems (214) 438-7441	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting
Zenith Vito Bruggiera vice president of marketing and product planning (312) 391-7910	Model 1000 1000 channels	1000 channels	\$100	dynamic random dynamic random audio and video time-shifting



'It's a classic case of over-capacity.'

—Vito Brugliera

dustries have recently sold off-premises systems to cable operators. "We are one of the few left," said Jim Quigley, sales manager at Pico, "and we hope we can continue. The industry is not quick to grab on to new equipment."

Pay-per-view

The uncertain status of pay-per-view, which is inexorably tied to addressability, illustrates that this point can apply to new services as well. Cable operators and converter manufacturers blamed much of last year's slow growth on continuing doubt among operators about pay-per-view.

According to a survey conducted last May by Malarkey-Taylor Associates among executives in the top 15 MSOs, one third to one half expressed doubts about going addressable. As Sam Book, president of the research division at Malarkey-Taylor, noted, those executives most enthusiastic about pay-per-view were equally "gung-ho" about addressability, while those with doubts, raised the most questions about going addressable. "The two pretty much go hand-in-hand," said Book.

He noted that the less enthusiastic executives expressed the belief that in the long run their systems would be addressable, but at this point in time, the technology is not worth the incremental revenues that could be generated by saving on truck rolls, theft of service, etc. Pay-per-view had to be the primary motivating factor in going addressable, they said.

Bottom-line concerns and the difference in the cost of addressable converters versus non-addressable units con-

tinue to play a role in operators' decisions about addressability. Doug Dittrick, president of Tribune Cable, noted that while the company decided to install Texscan's off-premises addressable systems in its newbuild, Tribune is not putting addressable converters in its existing systems, even when given the opportunity to do so as part of a rebuild. "The differential in cost is just not worth it," said Dittrick, who noted that many of Tribune's systems are not located in major markets. "In a larger system, you can write off the cost over a larger base. We want a comfort level that is just not there, yet."

Larger systems in the as-yet unbuilt metropolitan areas would appear to provide a potentially lucrative market for addressable unit sales, but the

snail's pace at which the remaining cities are being built has precluded any larger impact on the market in 1985. In addition, rebuild activity has been less than anticipated.

Some observers also blame quality control problems experienced by addressable converter manufacturers two years ago as an impetus to keeping wary buyers at bay. At one point it was not uncommon for some manufacturers to be experiencing 20 percent to 40 percent failure rates, noted one industry executive.

The problem of incompatibility with VCRs and other consumer equipment also remains a key area of concern. While manufacturers have spent a great deal of time and money making their addressable units "VCR friendly," the VCR issue remains a key stumbling block for many cable operators.

Finally, manufacturers blame the "back to basics" movement and the decreasing dependence cable operators have on pay, particularly multi-pay, for their revenue stream. "As premium service revenues go down, putting in addressable converters only makes sense with two or more pays," said Vito Brugliera, vice president for marketing at Zenith Cable Products.

Tough market

The dip in addressable unit sales came particularly hard after the high expectations fostered by peak sales in 1983 and 1984. The results for the manufacturers were high levels of inventory, and by mid-1985, an ensuing scramble to unload that stock through price wars. Converter manufacturers say they see a continuation of price



'We want a comfort level that is just not there, yet.'

—Doug Dittrick



'People are just not willing to change out to a two-way plant.'

—Neil DeCostanza

cutting over the next few months, although inventories have begun to stabilize. Said Zenith's Brugliera, "It's a classic case of over-capacity."

Additional pricing pressure, particularly for those manufacturers with large operations in Japan, are expected as a result of the dollar's recent slide against the Japanese yen. Almost all the converter manufacturers have at least some components assembled in Japan, and some, such as Scientific Atlanta, Oak Communications, Pioneer and Panasonic, depend heavily on Japanese input for their product.

But, despite the difficulties in the marketplace, some manufacturers most notably Scientific Atlanta and Oak, have opened up new opportunities for growth. While some industry observers are fond of saying the converter business is not technology-driven, the technological capabilities and performance of both Oak's Sigma converter and Scientific Atlanta's 5550 series have helped spur talk in the industry that these companies are "on the move."

In fact, S-A is considered a good bet to rival Jerrold in the addressable converter market next year, say industry sources. But, Robert Anastasi, analyst at Robinson Humphrey American Express, said S-A's growth will not come at the expense of General Instrument. Instead, he said, that company's converter growth will impact most heavily on "niche" players. According to Anastasi, what will drive cable operators toward the industry's two largest suppliers is the desire for one-step shopping where everything from a satellite dish to an amplifier can be bought. "This is not a niche business anymore," he said. "S-A will go from being

a distant second to splitting at least two-thirds of the market with General Instrument."

John Donohue, Oak Communications' president, disagreed. "Sure, it makes it difficult for us to compete against companies with distribution capability," he said. "But operators have been very willing to separate distribution equipment out from in-home terminals."

Oak has just announced a \$23-million order from Maclean Hunter Cable to supply 150,000 Sigma units to its Suburban Cablevision system in New Jersey. In addition, the company is expected to be the supplier for Barden Communications' Detroit newbuild in which Maclean Hunter has a 49 percent interest.

'Jerrold has gotten out of building product for product's sake.'

—Pete Morse

New product edge

Oak's re-emergence as a viable competitor, after a two-year period of financial upheaval and legal problems, led at least one manufacturer to bemoan the fact that his company had not been more active in developing new product for the market. "Scientific Atlanta and Jerrold are strong, and now we have Oak to contend with," he said. "We've fallen behind."

Manufacturers that have the biggest battle before them, however, are companies like Sprucer, which offers a sophisticated, pricey two-way converter. Not only must the company contend with a tough, competitive market for converters in general, but it must also fight the battle for two-way in a world dominated by one-way plant. "People are just not willing to change out to a two-way plant," said Neil DeCostanza, manager of sales and marketing.

The New York Times Cable system in southern New Jersey is one company, however, that has taken the plunge, and, according to Sprucer, more than 30,000 units have been installed to date there.

Apparently, Kanematsu-Goshu, the trading company that distributes Sprucer, is willing to wait for the market to develop. Sprucer represents just a fraction of the company's \$15 billion to \$20 billion in revenues worldwide.

The best way to regain market share is to introduce new product, and despite the tough competitive environment, several manufacturers said they were ready to do just that. Zenith, which at one time held the number two spot in market share, said it is readying a new product to be announced at the national show in Dallas in an attempt to recapture that position. Magnavox, which currently has a 1 to 2 percent share, is also readying new product for introduction during the third quarter.

"Jerrold has gotten out of building product for product's sake," said Pete Morse, vice president for marketing, echoing comments made by other manufacturers. "All the [converter] features are geared just to subscribers or the cable operator," he said. Morse expressed surprise at the length of time it has taken addressability to come to the industry, saying that the technology "has brought a lot to cable in terms of [operator] control."

Obviously, much depends on what happens with pay per view. As Jerrold's Morse put it, "There is no single event that would mean more for us or for cable operators" than the full-scale onset of pay per view.

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

DRAFT JUSTICE REPORT ON PORN HITS CABLE

JANUARY FALLOFF IN PAY WORRISOME TO OPERATORS

NCTA MUST-CARRY PLAN MAY BREAK LOGJAM

CABLE NETS REJECT DISH DEALERS' MARKETING PLAN

CANADIAN CABLE REPORT: PROGRAMMING CATCHING FIRE



**FIRST
CHOICE**



SUPER



Animals should definitely not
wear clothing...

because
a
giraffe
might
look
sort of
silly.



CableVision

LEADING THE WEEK

Meese commission on porn 11

The U.S. Attorney General's Commission on Pornography will meet in Phoenix to review a preliminary report, which, if adopted, could have serious implications for the cable television industry.

Pay units drop 12

Despite a variety of possible reasons for a falloff in pay units in January, MSOs are worried the industry has not recovered from last year's slump.

Cable '86 12

As the National Cable Television Association's annual convention approaches organizers are encouraged by advance registration and exhibit space sales that already meet or surpass those of last year's meeting.

Must-carry compromise 16

Broadcast and cable industry leaders were closing in on a must-carry compromise, but there were still a few issues yet to be resolved.

Pacific West in court 16

Pacific West Cable Company has filed an action in state court to win the right to build a second cable system, charging the city and county of Sacramento, nearby cities and Sacramento Cable of conspiring to keep the system from building a plant.

MCA buys WOR-TV 17

MCA Inc. will pay more than 25 times WOR-TV's estimated 1985 cash flow for the New York superstation, a surprising \$387 million in cash.

TVRO marketing effort 20

Another effort by the TVRO industry to market a package of scrambled services to dish owners has hit a wall of cable programmer resistance. In response, the dish dealers are asking the Justice Department to investigate.

CCI funds 21

The Council for Cable Information will allocate the remainder of its operating budget, \$410,000, to six trade

associations and the National Captioning Institute.

Protection under the law 22

Noting that satellite transmissions are entitled to theft protection under federal law, a U.S. District Court judge in Florida has issued a preliminary injunction barring the distribution of HBO, WTBS and ESPN within 17 Orlando lodging establishments.

BBC, CNN talk 22

The possible transmission of portions of CNN by the British Broadcasting Company is the topic of discussion between Turner Broadcasting and BBC.

Wis. franchise fee bill 22

In a 49-46 vote, the Wisconsin state assembly has nixed legislation which would have prohibited franchise authorities from assessing cable franchise fees based on a system's income.

TOPICS

Programming 24

Following its new slogan "Today's Country Is More Than Music," The Nashville Network will offer auto racing, rodeos, tractor pulls and other sports each Sunday beginning April 6.

On Demand 34

In April Canada's Videoway will launch its combo of pay-per-view, videotex, videogames and transactional services with hopes of

eventual expansion into the United States.

Business 35

United Cable Television's 10-year replacement franchise is in place after the City of Los Angeles certified the company's financing, but fines still plague the company.

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As Canada's cable industry stands on the brink of getting its long-awaited deregulation, there are many reasons to see a gathering momentum in Canadian cable, not the least of which is programming. On the cover are programs and logos representing Canadian networks including (clockwise from upper left corner) The Sports Network logo, First Choice's logo, The Late Channel logo, the Blue Jays playing on The Sports Network, *The Last Polka* from First Choice, a typical segment from Genesis Storytime, and *Mario* on First Choice.



COVER STORY

Canadian cable on the move

*Less regulation and mounting success of programmers
buoying operators' revenues*

By Simon Applebaum

At long last—deregulation.

That's the cautious sentiment most executives of Canada's cable industry express in the wake of an action taken earlier this month by CRTC, the nation's Radio-Television and Telecommunications Commission.

In a 90-page policy statement, CRTC proposed that the method by which operators determine and receive rate increases be streamlined and injected with more flexibility. Concurrently, the regulatory agency called for new rules that will give systems the freedom to create specialized text channels and sell limited advertising on local origination services (CV, 2/17/86, p. 13).

CRTC officers believe they can turn those recommendations into law sometime this September, if no barriers emerge from a period of comment solicitation and public hearings lasting through late spring.

In the view of many industry leaders CRTC's directive was long overdue, but they are relieved it came when it did, given the upbeat pace their business has moved into. Canadian cable operators now have 700 franchises serving some 5.5 million subscribers, or about 60 percent of Canada's 8.5 million television homes. Revenues are up, and operators are finally getting reasonable penetration levels for specialty services after several years of trial and error.

In addition, the services have developed programs and identities that set them apart from their American counterparts, and there's a growing movement to market both Canadian broadcast and cable fare directly to U.S. systems.

At the same time, the implementation of scrambling by Home Box Office last month appears to be allaying longstanding fears among Canadian operators about the impact of TVRO penetration on their industry. National dish sales have tumbled dramatically in recent weeks, according to several sources, and many systems that had considered a dip into TVRO dealership have put such plans on the back burner.

Overall, CRTC's proposal represents

an important step forward, observes Michael Hind-Smith, president of the Canadian Cable Television Association. "It's not full deregulation, but maybe that was too much to hope for," he says. "We were surprised by the advertising outcome. We thought they would give us some leeway in local avails for the specialty channels, instead of flatly rejecting the idea. However, opening up some advertising clearances on community channels [the Canadian term for local origination] is significant because it will increase funds for program production." Although the proposal permits the inclusion of LO advertising through underwriting credits, with all income derived that way going into system production budgets, operators will still be

barred from selling avails on MuchMusic, The Sports Network and The Life Channel, the countrywide trio of ad-supported specialty services.

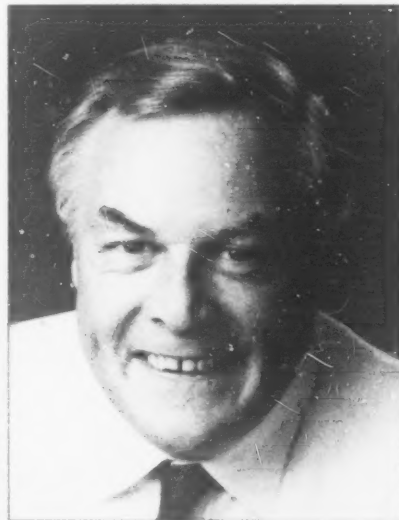
The CRTC's decision is "a major move in the right direction," says Noel Bambrough, head of Cablecasting Ltd., the MSO that penetrates about 120,000 homes in Calgary and some 150,000 homes in three franchises outside of the Alberta metropolis. "Even though [CRTC] didn't deal with the full potential of cable advertising, they took an encouraging position. It was a long time coming for a variety of reasons, but it's a giant step."

Nonetheless, some operators are wary about an early celebration of CRTC's step, suggesting that the agency has trotted out deregulatory strategies in public before that were subsequently tabled. Just last April, CRTC representatives commented at CCTA's annual convention that industry reforms were on the way. Shortly after that event, the agency floated a proposal for a change in the rate regulatory procedure allowing operators the right to match their increases with the nation's consumer price index, then set it aside from consideration a few months later. Now the idea is now a key element of CRTC's new deregulation plan.

"Things happen here very slowly," cautions Maclean Hunter President J. Barry Gage. "The original CPI concept wasn't super, but the industry supported it at the time because it was better than nothing at all. Our understanding is that their new proposal goes a long way toward giving much of what we asked for."

Under the revision, operators would be able not only to set annual rate increases in line with up to 80 percent of the nation's cost-of-living index, but to get them approved and enforced 40 days after CRTC notification. In many instances, systems have to wait up to a year after filing an application with CRTC for enactment. The plan also offers additional rate increases to operators as incentives for upgrading plant or expanding channel capacity.

Some industry executives attribute the delay to a lack of initiative emanating from the office of Prime Minister Brian Mulroney, Canada's chief execu-



**'It's [CRTC's
proposal] not full
deregulation, but
maybe that was
too much to hope
for. . .'**

—Michael Hind-Smith

Specialty service subscriber counts

Canadian services

Service	Subscribers	As Of
MuchMusic	800,000	2/86
The Sports Network	761,692	12/85
First Choice* Superchannel—total	610,000	2/86
eastern feed	430,000	2/86
western feed	180,000	2/86
The Life Channel	478,000	2/86
Super Ecran	107,195	12/85
Tele-latino	19,686	12/85
World View	10,068	12/85
Chinavisión	8,168	12/85

U.S. Services (as of 12/85)

Service	Subscribers
Cable News Network	292,266
Arts & Entertainment Network	284,675
The Nashville Network	264,953
Financial News Network	159,471
Headline News	158,595
The Learning Channel	61,035

Source: MediaVision Inc./Canadian Cable TV Association and various other services

tive since mid-1984. Massive business deregulatory reform was promised when Mulroney assumed power, and it was believed that cable would be an immediate beneficiary of that policy, notes Art Doerksen, president of Genesis Storytime, the Winnipeg-based children's cabletext network. "They found out that the new government wasn't as revolutionary as they might have been," he notes. "CRTC felt unchallenged to come out with something."

"From the beginning, it wasn't a major priority for them," Hind-Smith adds. "Communications didn't end up as a front target in the government's bid to open up various industry markets."

Before CRTC acts on its plan, Mulroney's office is expected to make a cable deregulation judgment of its own, through a broadcast task force set up last fall to review and recommend changes in the nation's communications system. The task force's report, which will take CRTC activities into consideration, will be released sometime next month.

Entering 1986, Canadian cable has reached full maturity in some respects, while just entering adolescence in others.

On the mature side all of the coun-

try's urban areas are fully wired, and all but the most rural-based franchises have less than 20-channel capacity. Gross revenues neared \$650 million last year, increasing from \$593.1 million in 1984 and \$535 million the year before.

Upgrade activity is at a minimum. Maclean Hunter, which operates 15 systems that reach about 387,000 homes across the country, is midway through its only rebuild, a 32-channel operation linking 148,000 Toronto homes. The system will have 50 channels to program when upgrading ends in early 1988.

CRTC and programming

In the U.S. city governments and programmers award cable franchises and programmers set national cable services in motion. In Canada both responsibilities rest with CRTC. Until early 1983, systems had to be content with marketing a basic package consisting of the Canadian broadcast networks, local and distant regional stations and LO.

Six national regional pay service applications received CRTC approval three years ago this month. Of that group, First Choice* Superchannel is the only one still in business. Ad-supported service proposals were brought

to the agency in 1984—MuchMusic and The Sports Channel were cleared later that year, while Life Channel earned approval last summer. Genesis Storytime is still awaiting CRTC authorization, five months after filing its marketing plans.

Most operators combine First Choice with MuchMusic and TSN and market it as an expanded tier for \$15.95 per month, adding Life Channel for an additional dollar. For \$19.95 a month, subscribers get all four services, plus up to six U.S. basic channels, including Financial News Network, The Nashville Network and Headline News. Each Canadian service also is offered a la carte at prices ranging from \$6.99 to \$10 per channel.

Specialty services are expected to average a 20 percent penetration rate among franchises this year, up from a 15 percent average in 1985. Cablecasting is maintaining penetration rates ranging from 13 percent to 18 percent among its systems, while Maclean Hunter's situation fluctuates from 11 percent penetration in several franchises to 26 percent at one location; 21 percent is the MSO-wide average, Gage says.

First Choice

All of the specialty channels have one thing in common—a Canadian content quota to uphold under CRTC auspices. In First Choice* Superchannel's case, that meant devoting at least 30 percent of its programming to nationally developed product, plus spending 45 cents of each dollar grossed on that product, amounting to 40 percent of its annual programming budget.

Despite those guidelines and the collapse of its competitors as a result of capitalization problems and slower-than-expected sub acceptance, First Choice is holding its own at 610,000 subscribers. Under a unique ownership pact, Canadian Communications markets First Choice to the eastern provinces, while Alarcon Pay TV distributes it among the western provinces. The venture also retains 40 percent equity in Super Ecran, a French-language movie service originating in the eastern provinces and taken by some 110,000 households.

Starting out with movies and specials, First Choice has emerged into a movie-oriented service, showing 30 titles per month. As President Fred Klinkhammer explains, programming movies and in-house financed original fare was too much of a burden for the venture.

The network, of course, has stuck to some original production, given the



Singer Whitney Houston joins VJ Christopher Ward on MuchMusic, Canada's answer to MTV.

prevailing regulations. Last summer, it co-produced and invested in Showtime's *Murder In Space* made-for-pay film and worked out a similar deal with HBO for the ACE-nominated *Countdown To Looking Glass* drama.

MuchMusic

In some ways, MuchMusic, the creation of Toronto independent broadcaster CITY TV, emulates MTV's format. The service has its own stable of video jockeys, showcases irreverently surrealistic logo sequences and operates 24 hours a day. But the similarities end there—more music genres are featured, it offers daily segments highlighting specific video trends, and there's direct involvement with record companies in the production of clips featuring Canadian artists.

The venture has become profitable quickly, finishing its first year last September with \$500,000 in income.

The service assembles eight hours of first-run fare each day, premiering it from noon to 8 p.m. EST and replaying it twice during a 24-hour period. At least eight videos are presented each hour of the block, with the VJs delivering their comments and music news reports live.

Obligated to start out with 10 percent Canadian content, MuchMusic devoted 18 percent of its airtime last year to Canadian videos, largely due to its funding of VideoFACT, an independent foundation which donates money to clip producers. About 2.4 percent of the channel's annual revenues go to VideoFACT, an arrangement that will continue through mid-1988. Twenty-four clips were produced with Video-

FACT dollars last year, and at least that many videos will be made this year. Some clips are now getting MTV exposure, pleasing Moses Znaimer, who as MM's president and executive producer, might go down as Canada's answer to Bob Pittman.

Pitching 800,000 subscribers and 14 percent average penetration, MuchMusic is getting ongoing ad buys from 35 companies, led by Pepsi, Coca-Cola, Lever Bros., General Foods, and the Canadian brewery threesome of Labatt, Carling and Molson. Pepsi sponsors a weekly heavy metal hour, while Coke billboards the network's top 40 countdown show. MM has eight minutes available for sale per hour, as does TSN and Life Channel.

The Sports Network

The Sports Network is second in subscriber counts among the ad-sup-

ported trio at 760,000 homes, but it leads in average penetration because of a slightly higher standalone count (37,618 homes to 28,441 homes).

Like ESPN, TSN presents sports events and sports news coverage. Five half-hours per day are programmed with *SportsDesk*, a roundup of highlights, breaking developments and player profiles. Thirty-three percent of its weekly schedule consists of Canadian events, up from an original 18 percent requirement.

This year, TSN will carry 120 Major League Baseball games, most featuring the Montreal Expos and Toronto Blue Jays; 26 National Hockey League games; 45 National Basketball Association contests and a full complement of college sports, tennis, soccer and ski races. Considerable time also goes to such offbeat sports as rules football, cricket and curling. Canada's own non-hockey national pastime.

"We're not out to be ESPN North," says Gordon Craig, TSN's president. "We're trying to be a hybrid of ESPN, which has a news focus through *SportsCenter*, and regional sports services like PASS (Detroit's Pro Am Sports System) that are event-oriented."

ESPN supplies TSN with 50 hours of event programming a month, including golf, auto racing and *Top Rank Boxing*. But the service is putting its own stamp on coverage by establishing several series that feature Canadian athletes. Two separate half-hours spotlight conversations with the Blue Jays and Expos players and coaches, while another reviews Canadian college action. At least one sports event is produced by TSN staff each night.

Even though the network finished 1985 with 760,000 homes, advertising results did not match expectations for the year. TSN generated \$1.6 million in

Canadian cable penetration 1984-85

Year	Basic Households	Specialty Service Homes	Specialty Service Penetration Average
1984	5,063,744	601,809	11.9 percent
1985	5,542,012	832,215	15.0 percent
Growth for '85	478,268	230,406	3.1 percent

Note: Figures do not include 43,767 households who pick up specialty channels on part of basic service under special circumstances.

Source: Mediastat Inc./Canadian Cable TV Association

ad revenues, down from a \$2 million projection. Still, Craig is confident that sales will double this year, bringing the service closer to profitability. "Sales are slow because this is a brand new medium and advertisers are taking their time with it," he explains. "They'll jump in this year for two reasons—our sub base has doubled from last year and the ad community will have a track record to deal with."

Life Channel

When Life Channel entered the specialty service scene last October, it was counting on Lifetime for 70 percent of its initial program supply, while allocating 10 percent of its schedule to Canadian productions and the rest to outside acquisitions. What executives there didn't count on was Lifetime's cancellation of *Hot Properties* and several other first-run series late last fall, plus a reworking of its format to attract more women. Things have worked out for TLC however; in less than six months, the venture has attracted 478,000 homes, met initial ad projections and is developing its own programming style.

Eight hours of first-run series are scheduled per day within Life Channel's 24-hour format. The service's keystone in-house production is *S.I.C.*, a late morning hour mixing special reports on health and lifestyle topics with studio interviews and call-ins.

Product acquired directly from Lifetime now makes up less than 40 percent of Life Channel's format; other Lifetime shows, including *Mother's Day* and *A Better Way*, are picked up through contracts with their production companies. *Alive And Well* is on the schedule thanks to a USA Network agreement, as is Sally Jesse Raphael's

syndicated interview program through a deal with Multimedia.

In the two years since Life Channel filed its prospectus before CRTC, creator and President John Tyson has tracked Lifetime's fortune, and is committed not to repeat any patterns established there.

"When Cable Health Network (Lifetime's predecessor) started, there was no doubt about the necessity for this kind of programming," Tyson says. "What was realized later is that you can't sell health for health's sake. The programs have to be more entertaining to attract attention. Lifetime, despite drifting away from a talk format, is starting to move in the direction we want to follow."

Per-sub Fees

Per-sub fees cover more than half of each specialty channel's income stream. Since it operates as a pay network, First Choice*Superchannel charges operators \$8.20 to \$9 per home each month, depending on the system's contract. MuchMusic operates on a 90-cent fee; several MSOs pay 55 or 60 cents per sub monthly under volume discount terms. TSN has the highest charge among ad-supported channels at \$1.65 a sub, while Life Channel offers itself for 55 cents per tier sub and 90 cents per standalone household.

Cablecasting's Bambrough and other operators warn that if per-sub fees keep rising, not even a CRTC-approved rate policy change will prevent a battle over marketing costs, with MSOs on one side and the specialty networks on the other. "The problem is that we're getting pressure from subscribers who feel the prices are too high, while the services are pressuring us to hike their wholesale rates," Bambrough says. "We can't live with the profit margins as they stand now."

The only way out of this is to prod CRTC into letting the ad-supported services move from tier or a la carte status onto the basic package, Bambrough suggests. By shifting positions, the channels would be less inclined to increase fees, since they could charge higher advertising prices related to a wider audience base.

Whether CRTC accepts a change is another matter. Several operators believe the agency will hear arguments for it once rate deregulation is approved, but other officials think it may take three to five years before CRTC considers the issue because of other matters on its agenda.

One of those subjects is pay-per-view. In the past, CRTC officials have stated that PPV will not go forward in

Canada until the specialty services achieve fiscal stability.

That opinion flies in the face of many operators who want to get PPV started and feel the industry is ready to handle it. First Choice's Klinkhamer feels CRTC will bide its time and wait at least a year before accepting PPV applications. "What they will probably do is rule that a subscriber must take a pay service in order to qualify for PPV," he says. "That requirement would sidestep the cannibalization issue. Long-term, we hope to be a pay licensee."

Short-term, First Choice*Superchannel intends to be the first encrypted specialty service. Part-time scrambling is set to begin this September, and Christmas Day is the projected full-time scrambling date. There are no scrambling plans under development yet at the ad-supported services. Meanwhile, officials believe that once First Choice scrambles full-time, Super Ecran and a group of regional foreign-language pay channels (Tele-latino, Chinavisión, World View, etc.) will follow suit.

Home Box Office's encryption introduction has taken the sting out of TVRO sales, CCTA's Hind-Smith and other industry leaders conclude. But that shouldn't be taken as a sign that MSOs won't move to scramble their channels eventually, they insist. "Our people haven't been up front on announcing a plan as U.S. firms have," Hind-Smith adds. "But it's clear it's going to happen."

Sources note that Oak Communications' Orion scrambling system may be the frontrunner for honors as the de facto Canadian standard, although they don't rule out a campaign from M/A COM's Videocipher technology, now accepted as the U.S. encoding methodology. Since 1982, Orion has been used by CANCOM, an organization marketing an eight-channel package of U.S. broadcast networks and Canadian distant signals to small cable systems, SMATV and TVRO households nationwide.

"The model is in place and there for anyone to emulate," notes O.J. Hanas, vice president and general manager of Oak's satellite systems division. "It's a matter of business considerations now."

Generally, industry operators and programmers believe the short-term future of Canadian cable rests with CRTC approval of more specialty services, with PPV, a full-fledged ad sales plunge and the introduction of enhanced services coming sometime after 1988.

'... you can't sell health for health's sake. The programs have to be more entertaining. ...'

—John Tyson

CABLE STATS

Film product comparison—March

[illegible]

Tom Hulse is Wolfgang Mozart in 'Amadeus,' making its payable debut this March.

Film	Pay Networks	Distributor
-------------	---------------------	--------------------



Woody Allen and Mariel Hemingway star in 'Manhattan.'

Film	Pay Networks	Distributor
-------------	---------------------	--------------------

- *Staphylococcus aureus*

■ **ANALYSIS**—The authors used a cross-sectional design to examine the prevalence of self-reported depression and anxiety among a representative sample of the adult population in the United States. The authors used a multivariate analysis to examine the association between self-reported depression and anxiety and various demographic and clinical factors.

■ The number of *Y. enterocolitica*

■ The new film *Shogun*

1

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

CABLE, BROADCAST LEADERSHIP STRIKE MUST-CARRY BARGAIN

FIRST AMENDMENT DEBATED IN PREFERRED BRIEFS

OPERATORS SEE MERIT IN TCI LOCAL ORIGINATION PLAN

PAY-PER-VIEW GAINING MOMENTUM AMONG MSOs

THE NCTA AGENDA: JIM MOONEY TALKS ISSUES



CableVision

LEADING THE WEEK

Must-carry compromise 11

Cable and broadcast industry leaders have reached a compromise agreement on the long debated must-carry issue. If approved by the full boards of the NCTA and the NAB, the document will form the framework for a joint proposal to the Federal Communications Commission as part of its must-carry proceedings.

Preferred briefs filed 16

In one of a number of briefs filed last week in support of Preferred Communications Inc.'s position that cable is a First Amendment speaker, the NCTA spells out its stand on franchising.

Baseball PPV 18

The Cincinnati Reds have made plans to join the list of Major League Baseball teams with regional pay-per-view connections through an arrangement with Warner Cable Communications' franchise.

ScanAmerica results in 18

Arbitron Ratings Co. executives report high response rates for its new ScanAmerica interactive monitoring service during the first months of the Denver pilot test.

Warner Amex buyout 22

The sale of American Express' interest in the company to Warner

Communications for \$450 million was scheduled to close on the last day of February.

HSN II 28

March 1 was the first day of service to about 500,000 homes for Home Shopping Network's spinoff, Innovations In Living. The program showcases high tech, trendy, off-priced product appealing more to upscale audiences.

TCI 'cable station' plan 34

Industry executives and observers respond enthusiastically to TCI's plan to shore up programming on local origination channels.

TOPICS



Billy Davis, Jr., and Marilyn McCoo will perform at the System ACE awards.

Programming 44

HBO is focusing on older viewers as the audience for its new Festival service, which will be dominated by G- and PG-rated films. Also in Programming, the 1986 System Awards for Cablecasting Excellence ceremony in Dallas March 17 will be

the backdrop for a group of 11 celebrities including emcee Florence Henderson.

On Demand 56

Despite an existing air of caution, signs that operators are warming up to pay-per-view programming are abundant, with more than a million subscribers now committed to national services.

Business 60

Columbia International establishes western beachhead by purchasing Cox Cable Communications' system in Vancouver, Wash., for \$36.4 million.

61

Recent filings by Continental Cablevision at the SEC show that the company and its Chairman Amos

Hostetter have acquired an 8 percent interest in Adams-Russell, totaling 495,600 shares of A-R common, for "investment purposes." The filing leaves open the possibility of a change in plans for the investment and the option of additional purchases.

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National Cable Television Association President Jim Mooney took time out in the heat of must-carry talks to answer questions about that and other issues on the NCTA's agenda for 1986.

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	43,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	51,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,406,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableTel Inc. Data Base. INTER-NATIONAL COMMUNICATIONS RESEARCH

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableTel Inc. Data Base. INTER-NATIONAL COMMUNICATIONS RESEARCH

Satellite lineup

Satcom III-R (RCA Americom)

Transponder	
Arts & Entertainment	23
BET	20
CBN Cable Network	20
Cinemax (West)	20
ESPN (Blackout)	20
Eternal Word Television Network	1
Universal News Network	1
Genesis Storyline	8
HBO (West)	18
HTN	10
Home Shopping Network	20
The Learning Channel	20
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	18
PDI	1
Roadster Monitor Service	18
Showtime (West)	10
SPN	6
Starline	19
TV Deepseas	21
The Learning Channel	16
Trinity Broadcasting Network	1
Video Hits One	20
Viewer's Choice	20
The Weather Channel	20

Satcom IV (RCA Americom)

Transponder	
American Music Classics	19
Buzz	10
Bravo	5
C.O.M.E. Value Network	2
Hit Video USA	24
Home Shopping Network 2	1
Home Sports Entertainment	13
Home Team Sports	20
Liberty Broadcasting Network	20
Madison Square Garden	16
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	20
Prime Ticket	20
The Silent Network	10
SportsVision	30
WFLX - New York	10

Westar III (Western Union)

Transponder

Westar IV (Western Union)

Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Public Broadcasting Service	13, 17, 21, 23
Texas State Network	2
World of Faith Satellite Network	6

Westar V (Western Union)

Family Entertainment Network (FEN)	24
FXN Weekend Pay per view	24
The Meadows Racing Network	22
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

American Eclat	18
Courtesy Music Television (MTV)	18
KATV (Dallas)	22
Solo TV	13

Galaxy I (Hughes)

CBN Cable Network	11
Cinemax (East)	7
CNN	7
CSPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPC	2
ESPN	9
GolfVision	20
HBO (East)	20
Headline News	8
NewsEx National Television Magazine	18
Moody Broadcasting Network	18
The Movie Channel (East)	20
(West)	24
The Nashville Network	2
PDI	10
Saturday Night Live	2
Showtime (East)	2
SN	6
Starline	13
WGN	1
WHL-TV	15
WTBS	16

Spacenet I (GTE)

ACTS

Transponder

Transponder

Transponder

Transponder

Transponder

Note: A company name in parentheses following a service on network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1	Fox Cable Communications Inc.	1,079,000
2	Albany Area Television and Communications Corp.	1,038,000
3	Coring W. Cable	1,033,000
4	South Cable Communications	1,022,000
5	Cox Cable Communications	989,000
6	Warner Amco Cable Communications Corp.	974,000
7	Continental Cablevision	960,000
8	Times Mirror Cable Television Inc.	959,000
9	United Cable Television	947,000
10	Newhouse Broadcasting	927,000
11	Verizon Communications	910,000
12	LA Cablevision Corp.	771,000
13	Southwest Communications Inc.	760,000
14	Hartford Communications Corp.	758,000
15	Cablevision Corp.	750,000
16	Wegman Cablevision Inc.	740,000
17	Amstar Cablevision Inc.	730,000
18	Comcast Cable Communications	720,000
19	Metropolitan Cablevision	710,000
20	Magnum Communications	700,000
21	Frontier Cablevision	690,000
22	Frontier Cablevision Corp.	680,000
23	Frontier Cablevision Corp.	670,000
24	Frontier Cablevision Corp.	660,000
25	Frontier Cablevision Corp.	650,000
26	Frontier Cablevision Corp.	640,000
27	Frontier Cablevision Corp.	630,000
28	Frontier Cablevision Corp.	620,000
29	Frontier Cablevision Corp.	610,000
30	Frontier Cablevision Corp.	600,000
31	Frontier Cablevision Corp.	590,000
32	Frontier Cablevision Corp.	580,000
33	Frontier Cablevision Corp.	570,000
34	Frontier Cablevision Corp.	560,000
35	Frontier Cablevision Corp.	550,000
36	Frontier Cablevision Corp.	540,000
37	Frontier Cablevision Corp.	530,000
38	Frontier Cablevision Corp.	520,000
39	Frontier Cablevision Corp.	510,000
40	Frontier Cablevision Corp.	500,000
41	Frontier Cablevision Corp.	490,000
42	Frontier Cablevision Corp.	480,000
43	Frontier Cablevision Corp.	470,000
44	Frontier Cablevision Corp.	460,000
45	Frontier Cablevision Corp.	450,000
46	Frontier Cablevision Corp.	440,000
47	Frontier Cablevision Corp.	430,000
48	Frontier Cablevision Corp.	420,000
49	Frontier Cablevision Corp.	410,000
50	Frontier Cablevision Corp.	400,000
51	Frontier Cablevision Corp.	390,000
52	Frontier Cablevision Corp.	380,000
53	Frontier Cablevision Corp.	370,000
54	Frontier Cablevision Corp.	360,000
55	Frontier Cablevision Corp.	350,000
56	Frontier Cablevision Corp.	340,000
57	Frontier Cablevision Corp.	330,000
58	Frontier Cablevision Corp.	320,000
59	Frontier Cablevision Corp.	310,000
60	Frontier Cablevision Corp.	300,000
61	Frontier Cablevision Corp.	290,000
62	Frontier Cablevision Corp.	280,000
63	Frontier Cablevision Corp.	270,000
64	Frontier Cablevision Corp.	260,000
65	Frontier Cablevision Corp.	250,000
66	Frontier Cablevision Corp.	240,000
67	Frontier Cablevision Corp.	230,000
68	Frontier Cablevision Corp.	220,000
69	Frontier Cablevision Corp.	210,000
70	Frontier Cablevision Corp.	200,000
71	Frontier Cablevision Corp.	190,000
72	Frontier Cablevision Corp.	180,000
73	Frontier Cablevision Corp.	170,000
74	Frontier Cablevision Corp.	160,000
75	Frontier Cablevision Corp.	150,000
76	Frontier Cablevision Corp.	140,000
77	Frontier Cablevision Corp.	130,000
78	Frontier Cablevision Corp.	120,000
79	Frontier Cablevision Corp.	110,000
80	Frontier Cablevision Corp.	100,000
81	Frontier Cablevision Corp.	90,000
82	Frontier Cablevision Corp.	80,000
83	Frontier Cablevision Corp.	70,000
84	Frontier Cablevision Corp.	60,000
85	Frontier Cablevision Corp.	50,000
86	Frontier Cablevision Corp.	40,000
87	Frontier Cablevision Corp.	30,000
88	Frontier Cablevision Corp.	20,000
89	Frontier Cablevision Corp.	10,000
90	Frontier Cablevision Corp.	5,000
91	Frontier Cablevision Corp.	2,000
92	Frontier Cablevision Corp.	1,000
93	Frontier Cablevision Corp.	500
94	Frontier Cablevision Corp.	250
95	Frontier Cablevision Corp.	100
96	Frontier Cablevision Corp.	50
97	Frontier Cablevision Corp.	25
98	Frontier Cablevision Corp.	10
99	Frontier Cablevision Corp.	5
100	Frontier Cablevision Corp.	1

Top 100 systems

Rank	Location	Operator	Basic subs
1	San Diego, CA	Cox Cable	264,863 (11,850)
2	Woodbury (Long Island) NY	Cablevision Co.	242,948 (10,850)
3	Manhasset, NY	ATC	206,900 (12,840)
4	San Antonio, TX	Rogers Cable Systems	200,201 (11,850)
5	Portland, OR	ATC	193,700 (12,940)
6	Orlando (Orlando) FL	Warner Amco	184,300 (12,850)
7	Houston, TX	Marathon Cable	174,955 (8,850)
8	East Orange, NJ	ATC	156,490 (12,840)
9	Honolulu, HI	Times Mirror	142,000 (7,850)
10	Louisville, KY	Storer Communications	140,510 (9,850)
11	Wayne, NJ	USA Cablevision	140,000 (7,850)
12	Palmdale, CA	United Cable	138,278 (11,860)
13	Cincinnati, OH	Warner Amco	137,000 (9,850)
14	Englewood, CO	United Cable	130,000 (10,850)
15	Plantville, MD	United Cable	130,000 (10,850)
16	Manhattan, NY	Group W Cable	120,400 (11,850)
17	Asheville, NC	New York Times	120,317 (8,850)
18	Indianapolis, IN	Cox Cable	121,961 (11,860)
19	Albany, NY	Frontier Cable	120,750 (11,850)
20	Albany, NY	Frontier Cable	120,750 (11,850)
21	Rockville, MD	Frontier Cable	117,629 (12,850)
22	Rockville, MD	ATC	117,100 (12,840)
23	San Jose, CA	Comcast Cable	113,061 (11,860)
24	Jacksonville, FL	Comcast Cable	110,000 (9,850)
25	Seattle, WA	Group W	109,700 (10,850)
26	San Jose, CA	Comcast Cable	107,200 (9,850)
27	Memphis, TN	ATC	106,300 (12,940)
28	Tulsa, OK	Business Cablevision	104,000 (8,850)
29	Orlando (Long Island) NY	Verizon	103,000 (9,850)
30	San Jose, CA	Harris Cable Corp.	102,870 (10,850)
31	Albany, NY	ATC	102,300 (12,840)
32	Charlottesville, VA	ATC	101,700 (12,840)
33	Portland, ME	Media Center	97,420 (2,860)
34	Indianapolis, IN	Cox Cable	97,320 (11,850)
35	San Francisco, CA	Verizon	96,000 (9,850)
36	Warren, MI	TRC Cable	95,974 (12,950)
37	San Diego, CA	ATC	95,100 (12,840)
38	San Jose, CA	Verizon	94,000 (9,850)
39	Indianapolis, IN	Business Cablevision	93,668 (11,860)
40	San Jose, CA	Harris Cable Corp.	93,400 (11,850)
41	Los Angeles, CA	Frontier Cablevision	89,137 (11,850)
42	Orlando, FL	ATC	89,000 (11,850)
43	Portland, ME	Media Center	88,800 (11,850)
44	San Jose, CA	Verizon	88,700 (11,850)
45	San Jose, CA	Verizon	88,700 (11,850)
46	San Jose, CA	Verizon	88,700 (11,850)
47	San Jose, CA	Verizon	88,700 (11,850)
48	San Jose, CA	Verizon	88,700 (11,850)
49	San Jose, CA	Verizon	88,700 (11,850)
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56	San Jose, CA	Verizon	88,700 (11,850)
57	San Jose, CA	Verizon	88,700 (11,850)
58	San Jose, CA	Verizon	88,700 (11,850)
59	San Jose, CA	Verizon	88,700 (11,850)
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63	San Jose, CA	Verizon	88,700 (11,850)
64	San Jose, CA	Verizon	88,700 (11,850)
65	San Jose, CA	Verizon	88,700 (11,850)
66	San Jose, CA	Verizon	88,700 (11,850)
67	San Jose, CA	Verizon	88,700 (11,850)
68	San Jose, CA	Verizon	88,700 (11,850)
69	San Jose, CA	Verizon	88,700 (11,850)
70	San Jose, CA	Verizon	88,700 (11,850)
71	San Jose, CA	Verizon	88,700 (11,850)
72	San Jose, CA	Verizon	88,700 (11,850)
73	San Jose, CA	Verizon	88,700 (11,850)
74	San Jose, CA	Verizon	88,700 (11,850)
75	San Jose, CA	Verizon	88,700 (11,850)
76	San Jose, CA	Verizon	88,700 (11,850)
77	San Jose, CA	Verizon	88,700 (11,850)
78	San Jose, CA	Verizon	88,700 (11,850)
79	San Jose, CA	Verizon	88,700 (11,850)
80	San Jose, CA	Verizon	88,700 (11,850)
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83	San Jose, CA	Verizon	88,700 (11,850)
84	San Jose, CA	Verizon	88,700 (11,850)
85	San Jose, CA	Verizon	88,700 (11,850)
86	San Jose, CA	Verizon	88,700 (11,850)
87	San Jose, CA	Verizon	88,700 (11,850)
88	San Jose, CA	Verizon	88,700 (11,850)
89	San Jose, CA	Verizon	88,700 (11,850)
90	San Jose, CA	Verizon	88,700 (11,850)
91	San Jose, CA	Verizon	88,700 (11,850)
92	San Jose, CA	Verizon	88,700 (11,850)
93	San Jose, CA	Verizon	88,700 (11,850)
94	San Jose, CA	Verizon	88,700 (11,850)
95	San Jose, CA	Verizon	88,700 (11,850)
96	San Jose, CA	Verizon	88,700 (11,850)
97	San Jose, CA	Verizon	88,700 (11,850)
98	San Jose, CA	Verizon	88,700 (11,850)
99	San Jose, CA	Verizon	88,700 (11,850)
100	San Jose, CA	Verizon	88,700 (11,850)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cablevision, Attention: Cablevision, P.O. Box 5208, T.A. Denver, CO 80217.

MARCH 16, 1988

C4722-2

CableVision

THE NEWS³ AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

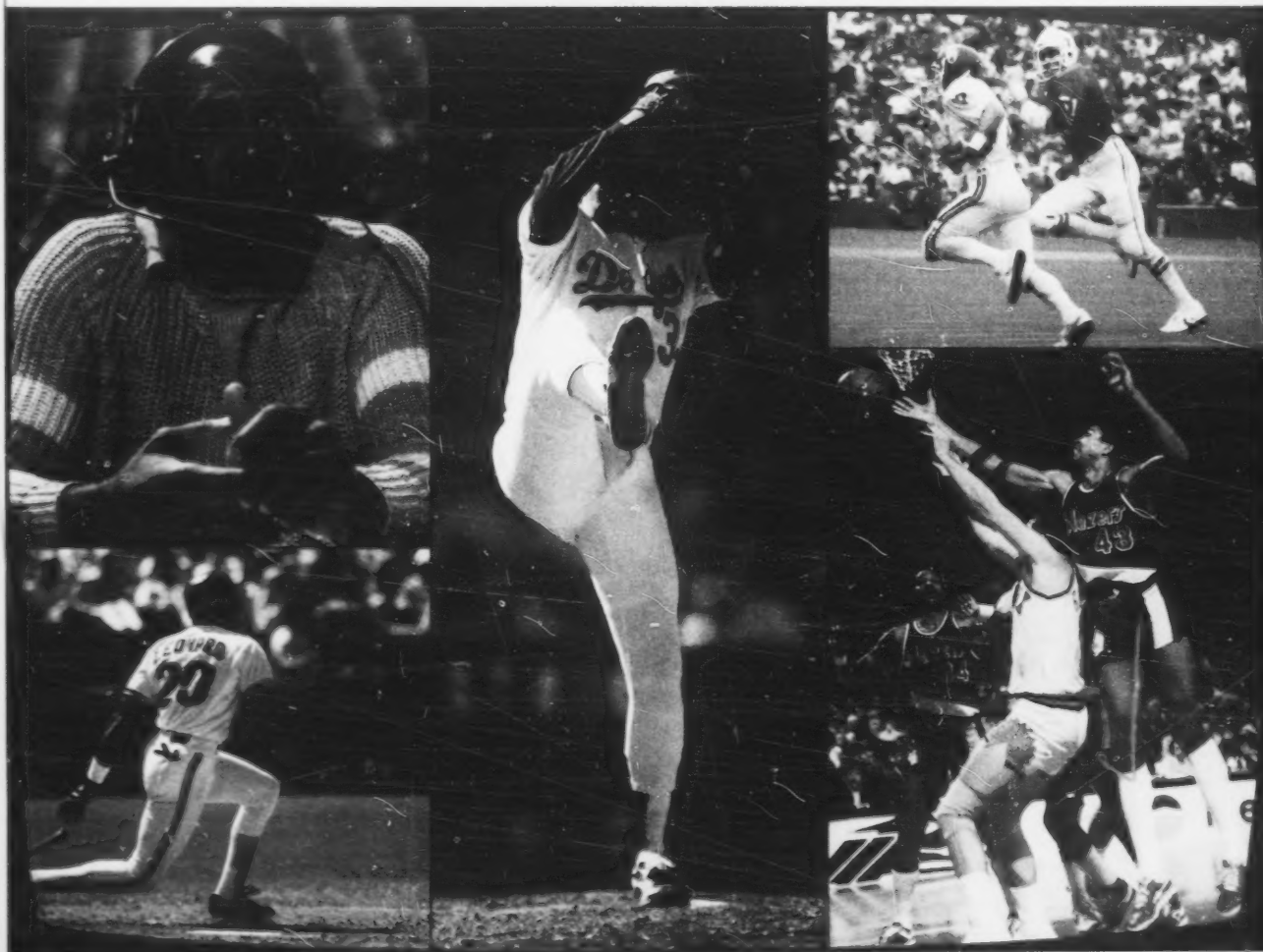
NCTA AND HOLLYWOOD BREAK OFF COPYRIGHT TALKS

PROGRAMMERS DEFEND PLANS IN SCRAMBLING HEARINGS

HBO UNVEILS MAJOR SPRING CAMPAIGN

THE MOVIE CHANNEL COURTING VCR OWNERS

REGIONAL SPORTS PPV: GATHERING MOMENTUM



CableVision

LOADING THE WEEK

Copyright talks halted 11

Copyright payment negotiations between the NCTA and MPAA broke up over MPAA's demand for an eventual termination of compulsory license for distant signals.

Meese commission 11

The U.S. Attorney General's Commission on Pornography is expected to consider a proposal for a federal indecency standard to be applied to cable systems.

Scrambling hearings 12

Heated exchanges sprang up during the first hearing on scrambling held by the House Subcommittee on Telecommunications as a full room of cable and TVRO representatives discussed control of the marketing of scrambled programming to dish owners.

New York cable 14

The New York's Board of Estimate may come between American Television and Communications/Houston Industries and their acquisition of Group W's upper Manhattan system if the two

companies fail to work out a new contract with the city's Franchise Bureau to upgrade the system.

HBO campaign 14

HBO's sister service, Cinemax, will share the spotlight of HBO's fourth marketing blitz "Summer Celebration."

Dallas kickback scheme 16

The U.S. Attorney's office in Dallas has subpoenaed documents relating to an IRS investigation into alleged kickbacks and bid-rigging during the construction of a Warner Amex cable system there.

Wrestling mania 16

More than 200 systems, reaching 3.6 million addressable homes, will carry *Wrestlemania II*, giving it one of the largest single-event PPV universe ever assembled.

Must-carry scrutiny 20

While public broadcasters and special interest groups plan to oppose the must-carry compromise hammered out last week, FCC Chairman Mark Fowler has told broadcasters he would be

reluctant to sign off on any agreement that compromise First Amendment rights.

Viewer's Choice PPV 24

Viewer's Choice has made plans to set off another pay-per-view channel before June attached to the opportunity to run hit titles for two weeks instead of one.

Telstar scrambles 25

Telstar Channels, set to launch May 1, goes against the industry trend in its choice of General Instrument's Starloc IV scrambling system.

Senate TV gets nod 28

Described as an "historic, beneficial change," the United States Senate has voted to begin a three-month test of live TV and radio coverage of its proceedings.

Cable museum 28

A \$2 million fund drive to establish a national cable industry museum at Penn State University has been launched by Cable TV Pioneers.

TOPICS

Programming 32

In an effort to meet the home video industry head-on, The Movie Channel has announced a series of possibly controversial scheduling changes that promote home VCR taping of movies.

Business 43

Shareholders from both Turner Broadcasting and MGM/UA approved the terms of the \$1.25 billion merger last week, clearing the way for the buyout to take place.

Shareholders from Ted Turner's Turner Broadcasting Service have voted to approve the \$1.25 billion purchase of MGM/UA.



Departments

People	49
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Cover story 36

Regionalized PPV sports event coverage is promising to become a significant source of revenue for several teams faster than most observers expected. Some services already in place include (clockwise from upper left): Blazer Cable, from Portland, Ore.; DodgerVision in Los Angeles; Home Sports Entertainment in Texas; Blazer Cable, and Gill Cable in San Francisco.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

Arts & Entertainment

Alaska Tourism (R)
Allstate Insurance (R)
American Express (R)
Armour-Dial (R)
AT&T (various divisions)(R)
Bantam Book (N)
Buick (R)
Celestial Seasonings (R)
Commodore (N)
Dannon Yogurt (N)
Ford Motor Co. (R)
Foster Parents Plan (N)
General Motors (R)
Grey Poupon (N)
Hitachi (R)
Italcable (R)
Jamaica Tourism (R)
Kikkoman (N)
Marriott (N)
MasterCard (N)
New Yorker Magazine (R)
Polaner Jams (N)
Qantas Airlines (R)
Ralston-Purina (R)
Royal Viking Cruise Lines (R)
Sears Discover Card (N)
Sperry (R)
Time + Life Books (R)
USA Today (N)
Wells Fargo (R)

BET

American Beauty Products (R)
Anheuser-Busch (R)
Bristol Meyers Co. (N)
C.B. Fleet Co. (N)
Campbell's Soup (R)
Carson Products (R)
Coca-Cola (R)
Columbia Pictures (R)
Conceited Records (N)
Frito-Lay (N)
General Mills (N)
Hershey (R)
Home Box Office (R)
J.C. Penney (R)
Jamaica Tourist Board (N)
KFC Corp. (R)
M&M Products Co. (R)
McDonald's (R)
Mars Inc. (N)
Mobil Oil (R)
Nike (R)

Pepsi Cola (R)
Pro Care (R)
Pro-line (R)
Procter & Gamble (R)
Quaker (R)
Sears Roebuck & Co. (R)
U.S. Army (R)
U.S. Marine Corps (R)
Venus De Milo (R)
Warner Bros. (R)
Wendy's International Inc. (R)

The Discovery Channel

American Home Products
Architectural Digest
Bantam Books
Barron's Weekly
Business Week
Charles Schwab
Consumer Reports
Dreyfus Fund
Esquire Magazine
Jack Anderson's Newsletter
Kent Collectibles
Life Magazine
Prudential Insurance
Psychology Today
Save The Children's Fund
Science 85
Smithsonian Magazine
Sports Illustrated
The New Yorker
Time + Life Books
Time Magazine
Transamerica Occidental
USA Today
Wall Street Journal
Working Woman Magazine

FNN

Allstate (N)
American Cyanamid (N)
American Express Gold Card (N)
AT&T (R)
Best Western (N)
Bureau of Business Practices (N)
Car-Quest (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chicago Mercantile Exchange (N)
Chrysler (R)
Clayton Brown (N)
Commodore Computers (N)
CSX Corp. (N)

Dow Jones (R)
Dreyfus (N)
Ford Corp. (R)
GMAC (R)
GM Corp. (R)
Golden Nugget (N)
The Hartford Insurance (N)
Harris Corp. (N)
Hayes Corp. (R)
Hong Kong Tourist Bureau (R)
International Trading Group (N)
InterNorth (R)
Intex (N)
ITT (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Navistar (N)
Norelco (N)
Nynex (R)
Paramount Home Video (N)
Precision Tune (N)
Reichold Chemical (N)
Rockwell (N)
United Airlines (R)
USA Today (N)
U.S. Postal Service (N)
W.R. Grace (N)
Wall Street Journal (R)
Western Futures (N)
Xerox (R)
Zion Banking (R)
Zweig Forecast (R)

The Learning Channel

California Beef Council (N)
Charles Schwab (R)
Commodore Computers (R)
Family Computing Magazine (N)
Smithsonian Magazine (R)
Standard & Poor's (R)
Time + Life Books (R)
Working Woman Magazine (R)

Lifetime

American Home Products (R)
Bristol Meyers (N)
Carter Wallace (N)
Department of Citrus (N)
Emory Worldwide (N)
General Food (R)
H.J. Heinz (R)
Kimberly Clark (R)

Kraft (R)
L-eggs (N)
Lever Brothers (R)
Mobil (N)
Nabisco (N)
National Dairy (R)
Pan Am (R)
Pilsbury (R)
Quaker Oats (R)
Random House (N)
S.C. Johnson (R)
Shearing Plough (R)
Procter & Gamble (R)
Scott Paper (R)
Sharp (N)
Sterling Drugs (R)
Thompson Medical (R)

The Silent Network

Campbell's Soup
Hallmark Cards
Kal Kan
Mattel Toys
Solarts
Ultratec

SPN

AT&T
Bayer
Beechnut
Budweiser
Casio
Continental Airlines
Evenflo
Fisher-Price
Gerber
Heinz
Hilton Hotels
Huggies
Ivory Snow
Johnson & Johnson
Kodak
Maytag
Norelco
Playboy Magazine
Playtex
Redman Chewing Tobacco
Rubbermaid
Sears
Time + Life Books
Tropicana
United Airlines
Valvoline
Vaseline
Windjammer
Yamaha

R denotes regular listing
N denotes new listing
New and renewal information not available

Source: Advertising clients are provided by the program service to International Thomson Communications Inc.

MARCH 17, 1986

C4722-2

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

CV 000260827 01
EDITOR ACQUISITIONS SRI
4520 EAST WEST HWY
BETHESDA MD

20814

Plurality Vision Cable

PER VIEW
HERE

Subscribers
Welcome

Pre Choice

**THE REFRANCHISING PUSH:
GETTING MARKET FRIENDLY**

CableVision

LEADING THE WEEK

Signal theft 15

The NCTA and MPAA will jointly provide funding and increased support to COST to establish a resource center for the battle against signal theft.

Promotion kits 16

The Cable Advertising Bureau is introducing operators to a local audience promotional plan that will include a full range of satellite- and mail-delivered material.

Sports return 20

After a decade without sports coverage, Showtime has announced that it will step into the ring to launch a series of boxing matches as early as March 25.

Scrambled sports 20

ESPN President Bill Grims announced that the cable network will begin scrambling its broadcasts sometime in December.

Color gamble 24

MGM and 20th Century-Fox both announced that they will be converting large numbers of black-and-white films into color in hopes that the colorization appeals to the cable network buyers.

Monitoring 26

Westinghouse is making available an automated survey system that allows cable operators to monitor customer satisfaction.

Boxing doubleheader 28

A March 10 PPV boxing event beamed to 156 systems for a potential audience of 3.6 million viewers resulted in heavy impulse buying.

Cable ad channel 30

Numedia Corp. and Tribune Media Services have jointly formed a turnkey



Cable industry converges on Dallas this week

system that allows operators to create a "color still photograph ad channel."

Selling out 30

TCI officials say they will sell the company's 50 percent share of TeleScripps to its partner, Scripps Howard.

Cable '86 convention 34

Texas is the appropriate backdrop for this year's annual convention of the National Cable Television Association, which is expected to reverse the trend of a dwindling number of exhibitors.

Showtime scrambling 36

Showtime/TMC will be marketing its

pay services to TVRO owners at a retail rate that undercuts the price commanded by HBO/Cinemax.

Comic relief 38

Cable subscribers will get a peek at the HBO service when the company airs *Comic Relief*, a live comedy benefit show, to basic and pay audiences free of charge.

C-SPAN marketing 42

Making a direct pitch to college and university professors, C-SPAN hopes to use its coverage of government as an educational tool for students.



Cover Story 44

Cable managers gathered at a Florida convention to explore the question of refranchising in light of new parameters established by the Cable Act of 1984. Included in the refranchising story package is an examination of local political postures and a case study of how one renewal negotiation was approached. Cover artist is Chris Butler.

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Programming 72

Gaps in LO programming offered by affiliates throughout the Lone Star State are being filled by Texas Cable Network. Also, a Houston cable firm that provides subscribers with all locally-produced programming looks to new frontiers.

Marketing 81

Door-to-door cable sales forces are discovering that public preconceptions are the biggest hurdle to overcome when selling their product.

On Demand 90

Twentieth Century-Fox is launching its biggest PPV promotion to date with the release of *Cocoon*, the studio's \$80 million box-office hit of 1985.

Advertising 93

The 1986 edition of Cable TV Facts, published by the CAB, reports that ad-supported cable viewership continues to gain momentum at the expense of broadcast.

Business 94

Despite a tough operating environment that persisted throughout 1985, companies with cable holdings turned in solid operating performances.

Booth Guide 114

Where to find everyone and everything at the annual NCTA convention in Dallas.

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March 17, 1986
Volume 11, Number 25

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CAB report finds cable still gaining at broadcast expense

NEW YORK—Some individual networks may have adverse ratings at the moment, but on the whole national advertiser-supported cable continues to chip away viewing shares from broadcast networks and stations.

That's the perspective advocated in *1986 Cable TV Facts*, the latest edition of Cabletelevision Advertising Bureau's annual reference digest. About 50,000 copies of the 40-page booklet were printed earlier this month and will be distributed among members of the trade group, concurrent with its release to advertising agencies, sponsors, the media and financial community representatives. CAB has been producing an annual guide of this nature since 1984.

Facts' presentation comes in the wake of recent A.C. Nielsen reports concluding that several cable services ended 1985 with monthly or fourth-quarter ratings equal to or below ratings achieved the previous quarter or year. MTV's situation is the most celebrated; the rock video music network declined to release its fourth-quarter 1985 Nielsen numbers, after suggesting that fluctuations existed in the sample base that affected ratings from its key age 12-14 and 18-24 demographics.

Sources claimed MTV received a 24-hour .6 average rating for the quarter, down from a fourth-quarter 1984 .9 rating and one published report last week estimated that MTV stands to lose \$7 million through make-goods advertising this year as a result. Nielsen officials feel MTV's charge has merit and are investigating the situation.

More recently, MTV's Nickelodeon reported an average .9 rating and 2 share of audience for its 7 a.m.-8 p.m. EST schedule during the last three months of 1985, equaling its third-quarter 1985 marks. Nielsen also recorded an average 24-hour .7 fourth-quarter rating for ESPN, identical to figures released last year.

Other ad-supported basics have reported upticks in their most recent total day Nielsen ratings. The Nashville Network managed a .7 rating average last November, higher than the .5 rating average produced the year before.

Many of the guide's statistics are derived from various A.C. Nielsen reports produced last year, and on the

basis of that data, CAB concludes that aggregate ad-supported cable viewing is increasing. According to one 1985 study, broadcast network affiliates are drawing a 56 share among all cable households on a 24-hour daily basis, with ad-supported cable holding a 24 share, pay services receiving an 11 share and independents maintaining a 12 share, as opposed to a 19 share within the non-cabled universe. The broadcast share declines to 51 among pay households, while ad-supported services maintain their 24 share and pay networks increase their viewing share to 18.

Discrepancies in Nielsen's sample base comprise just one of the reasons why certain services are seeing their ratings drop, CAB President Bob Alter maintained. "As cable nets grow and more upgraded systems get turned on, the number of high-channel capacity affiliates they have increases, and that means they are competing for viewers with more services."

"You place a service in a 36- or 60-channel system and a lower rating will result because more choices are available," Alter said. "That's a fact that

must be kept in mind. But the data also show that overall cable viewing is up; networks that see their ratings at the same level from quarter to quarter still achieve higher audience levels because the subscriber base is higher."

The publication represents more than just an illustrated data compilation that reinforces that view, Alter added. "It shows that, contrary to general opinion, there's a lot of available information out there that documents not only cable's value as an ad medium, but some significant guidelines over how cable subscribers use their TV sets." For example, cable programs achieve a higher viewing share among pay households in July than at any other time of the year, judging from another Nielsen study.

Elsewhere in *Facts*, CAB takes aim at growing speculation within the ad community that barter syndicated programs will take over cable's role as the major alternative to broadcast net buys by suggesting that the top 24 barter ad programs are achieving a six percent underdelivery rate among all cable homes and a 10 percent underdelivery rate among pay households.

"Most barter syndication goes on independent stations, and a myth that indies are the main recipients of the audience leaving the broadcast networks has surfaced."

—Simon Applebaum

Cable advertising revenues

	1984	1985	1986 Projection
Network	\$460 million	\$606 million	\$800 million
Local	\$ 86 million	\$129 million	\$193 million
Total	\$546 million	\$735 million	\$994 million

Source: CAB/Park Kagan Associates

Top 10 cable network advertisers/1984-85*

Company	Billings
Procter & Gamble	\$30,487,371
Philip Morris	\$21,061,420
Anheuser-Busch	\$15,345,131
General Mills	\$12,144,905
Time Inc.	\$11,006,706
Mars Inc.	\$ 8,163,657
R.J. Reynolds	\$ 7,530,852
Thompson Medical	\$ 7,060,414
Ford	\$ 6,159,088
Kellogg's	\$ 4,554,186

*Chart covers buys made on CBS, CNN, ESPN, MTV, USA and WTBS
Source: CAB/Broadcast Advertiser Reports

BUSINESS & FINANCE

1985 financial roundup

Cable companies navigate rough year in good shape

NEW YORK—Companies with cable holdings turned in solid operating performances in 1985 despite what analysts termed a "tough" operating environment in which pay revenues often fell below expectations. In most cases, shortfalls in pay were made up by increased penetration rates and revenues in basic, they said.

More important for the industry, said observers, were cash flows that continued their upward climb. Average growth in cash flow was well above 20 percent, according to figures compiled by Kidder, Peabody securities analyst Mary Kukowski. She cautioned, however, that further slowing in pay unit growth and increases in basic programming costs are likely to slow cash flow growth in 1986.

Performance in net income was mixed with some companies such as Adams-Russell showing strong 21 percent gains in profitability, while TCI, a company known for its focus on building asset value, had a drop of 41 percent in net income last year.

"Earnings don't matter (in cable)," said John Bauer, industry analyst for Oppenheimer & Co. "When a company like Comcast, which has not shown a down quarter in 13 years, decides to take an earnings hit" in order to position itself for the future, the current importance attached to earnings by cable companies is amply demonstrated, he said.

What are important are cash flow margins, continued growth in subscribers and price increases, he said.

Bauer pointed to rises in average cable company stock prices of 40 percent last year as solid evidence that investors are viewing cable's fundamentals favorably. "Those stock prices were not driven by takeover rumors," he said, but by good unit growth and high potential profitability.

Kukowski also pointed to cable's fundamentals as driving the industry's excellent market performance last year. According to analyses conducted by Kidder, Peabody, stock prices for the cable group (weighted on a capitalization basis) rose 40 percent during the first four and one-half months of 1985 compared to a 13 percent rise for Standard & Poor's 500 index, and an 8 per-

cent climb by the Dow Jones industrial average. The industry performed more in line with the rest of the market for the remainder of the year, rising 15 percent compared to 16 percent for the Standard & Poor's index and 25 per-

cent for the Dow Jones.

Kukowski credited much of the movement in stock prices to the high degree of leverage in the group and declining interest rates.

"Clearly the big story (in 1985) is the 40 percent rise (in stock prices) due to the deregulation of rates," she said. Kukowski noted that while cash flows may have come in as expected, cash flow multiples have risen beyond expectations. "Deregulation has prompted the notion that higher, longer term growth rates are attainable" for the industry, she said.

Selected Financial Data

	000s Revenues	% Change	000s Operating Income	% Change	000s Net Income	% Change
Adams-Russell (year end Sept. 29; 13 months Dec. 31)	128,087 34,187	18% 14%	18,637 3,175	20% 15%	9,436 2,300	21% 10.4%
Capital Cities	1,020,000	9%			142,200	5%
Comcast	1,211,049	13%			128,743	6%
Conquest	NA		NA		NA	
Dowdy	2,000,000	22%			173,000	78%
FNN (year end Nov. 30)	12,374	72%			435	NM
Heritage	157,400	22%	21,700 OCF 31,800	26% 28%	8,346	27%
Jones (year end May 31; 16 months Nov. 30)	13,393 8,186	20% 32%	6,862	11%	2,232 942	116% 19%
Knight-Ridder	1,729,613	3%			132,700	15%
Media General	578,500	5%			32,824	117%
Multimedia	106,271	10%	OCF 115,344	12%	21,638	136%
Playboy (year end June 30; 16 months Dec. 31)	192,333 97,971	2% 12%	13,204 13,300		6,899 142,630	75% NM
Rogers (Canadian \$) (year end Aug. 31; 15 months Nov. 30)	154,165 39,494	20% 18%	128,099 OCF 36,299	40% 36.6%	122,517 37,686	
Rollins (year end June 30; 16 months Dec. 31)	100,000 55,708				12,000 6,793	12%
TCA Cable (year end Oct. 1)	43,622	24%	21,302	19%	6,443	15%
TCI (unaudited)	577,170	28.4%	121,084	12%	10,000	141%
Time	3,403,354	10%	387,840		199,819	17%
Times Mirror	2,960,000	4.7%			237,100	1.8%
Tribune	1,940,000	8%	241,400	28%	123,800	20%
Turner (10 months Sept. 30)	259,400	23%	13,805	71%	5,001	NM
UA Communications (year end Nov. 30)	478,847	18%			14,944	15%
United (year end May 31; 16 months Nov. 30)	168,396 93,284	20% 14%	68,503 39,756	28% 23%	10,542 4,722	168% 9%
Viacom	444,100	38.6%	OCF 140,700	27%	37,000	21%
Warner	2,234,891	10%	286,501	12%	195,305	NM
Washington Post	1,080,000	10%			114,400	33%
Zenith	1,623,700	15%			17.7	NM

OCF—operating cash flow

NM—not meaningful. When losses are followed by gains or vice versa for a specific period, percentage difference is not considered meaningful.

Figures in parentheses represent deficits.

This Announcement Appears As a Matter of Record Only.

February 1986

\$3,400,000

TBA, INC.

Senior Secured Notes for the Leveraged
Buyout of the Cable Television Company
Serving the City of East Cleveland, Ohio

The Undersigned Arranged for the Placement of These Notes.



Cable Investments, Inc.

8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

This Announcement Appears As a Matter of Record Only.

January 1986

Sold

Brammer Cable TV, Inc.

Serving Some 2000 Primary Subscribers in the County of
Hancock, and the Communities of Chester, Lawrenceville
and Newell, West Virginia.

The Undersigned Represented the Seller.



Cable Investments, Inc.

8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

BUSINESS & FINANCE



**'Earnings don't
matter (in cable).'**

—John Bauer

Among the companies surveyed by *CableVision*, Warner Communications stands out as the biggest turnaround story. The company posted \$195.3 million in profit in 1985 compared to a loss of \$586 million in 1984. The film division and the record division turned in their best performances historically, while the broadcast and cable groups along with reduced interest expense also had a significant impact on 1985 earnings, said Warner Chairman Steven Ross (*CV*, 3/3/86, p. 22). The company recorded a \$94.2-million after-tax gain on the sale of MTV Networks and Showtime/The Movie Channel, which was reflected in the company's fourth quarter earnings.

Rogers Cablesystems also shows signs of turning the corner on a poor financial performance. Operating income increased 40 percent to \$128 million in 1985 compared to 1984, and losses declined to \$22.5 million from \$30.8 million. "The margins are up and the losses are coming down. Nineteen eighty-six should be much better (for them)," said Mark Riely, industry analyst for Eberstadt Fleming Inc.

Among the "pure cable" plays, TCI turned in a solid performance with revenues growing 28 percent and cash flows rising 25 percent to \$235 million. Andrew Wallach, securities analyst with PaineWebber Mitchell Hutchins, noted the company had pay revenues \$6 million below budget in 1985. Yet, because of basic revenues above budget and other factors, operating results for TCI were 97 percent of the budget

forecast. "My feeling is that TCI did a great job in a very tough operating year," he said.

Times Mirror reported that its cable operations showed a 25 percent increase in pre-tax operating income to \$47.3 million, while Tribune saw its cable division losses widen to \$14.3 million in 1985 from a loss of \$5.8 million in 1984. Tribune has sold its cable unit to Jones Intercable.

Heritage Communications performed well last year with revenues up 18 percent and cash flows up 20 percent within the cable group. Per share earnings were down, however, because of increased interest expense and stock issues—the results of an active acquisition and investment campaign.

In fact, many companies saw net income decline as a result of recapitalizations or restructuring. Multimedia's net declined 36 percent to \$21.6 million as a result of an \$890-million recapitalization program. Media General saw profits decline 17 percent, partly due to a \$546,000 charge for the closing of an evening newspaper. Most companies with significant broadcast or newspaper holdings saw only moderate growth in revenues as a result of the soft advertising market, particularly during the second half of 1985.

Viacom's earnings per share also declined because of new stock issues, although the company reported record revenues and earnings for the year. The company's cable television division was no exception. The division turned in record results in 1985 as a result of increased penetration rates and improved productivity, according to the company. Operating profit for the cable division reached \$34 million in 1985, up 23 percent from 1984, according to Eberstadt's Riely.

He and other analysts cautioned, however, that as a result of Viacom's extensive acquisition effort in 1985, there is "concern for 1986," he said. Fourth quarter earnings were down, in fact, as a result of increased interest expense and goodwill amortization associated with its acquisitions of MTV Networks and the remainder of Showtime/The Movie Channel.

Cable's other primary provider of pay programming, Time Inc., turned in a 1985 performance that was less than anticipated, analysts said, although they were quick to lay blame on the \$13-million fourth quarter charge taken for costs associated with layoffs in the magazine division.

However, it was fundamentals—rising cash flows and the resultant decline in cable company debt levels—that led Donaldson, Lufkin & Jenrette

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March 1986

Heritage Communications, Inc.

Has Increased Its Investment in

Diversified Communications, Inc.

The Undersigned Initiated This Transaction and Represented
Heritage Communications, Inc.



Cable Investments, Inc.

8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

This Announcement Appears As a Matter of Record Only.

February 1986

SOLD

Manchester Cable TV, Inc.

Serving the City of Manchester
and County of Coffee, Tennessee

The Undersigned Represented the Seller.



Cable Investments, Inc.

8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

BUSINESS & FINANCE

analyst Dennis Leibowitz to predict that the average cable company's public market value would rise by 20 percent in 1987.

Increasing financial strength led to the elimination of Cox Communications from the public markets, said Oppenheimer's Bauer. As cash begins to pile up in a company, the company either becomes an excellent takeover candidate or it launches an acquisition campaign, he said. Since acquisitions often result in the dilution of public stock value, such companies are faced with no-win situations. Since the public markets are no longer needed to generate capital the best alternative is to take the company private, he said.

While the majority of cable operating companies performed well in 1985, continuing difficulties on the hardware side were evident in weak performances by General Instrument and Zenith. According to Zenith's year-end statement, cable sales declined 64 percent to \$66 million in 1985 and the division experienced an operating loss for the year compared to a gain last year.

General Instrument's Jerrold Division just announced the layoff of 12 percent of its staff as revenues and net income have continued their downward slide throughout the year. Scientific-Atlanta, however, has showed modest increases in revenues and net income over the 1985 calendar year.

—Virginia Munger Kahn

SSS changes name to Tempo Enterprises

TULSA, Okla.—Satellite Syndicated Systems Inc. has changed its name to Tempo Enterprises Inc. The new name along with a title to distinguish one product from another will be used for all company products and services including Tempo Television for Satellite Program Network, Tempo Sound for Star Ship Stereo and Tempo Cable for Cable Southwest.

In existence since 1978, SSS has introduced products and services under separate names into the cable television and satellite communications marketplace. Company officials said it was time to tie all of these various products together under one name to heighten the identity of the total corporation.

Edward Taylor, chairman, president and CEO of the new Tempo Enterprises, said, "While re-evaluating certain business areas we decided the time had come to consolidate and create a more unified corporate image. We felt the best way to do this was to change our name and update our identity."

This notice appears as a matter of record only.

SOLD

February, 1986

County Cablevision Corporation

Serving unincorporated areas of
Pima County, Arizona

Bruce Falkenberg represented the sellers.

coaxial capital
BRUCE FALKENBERG AND ASSOCIATES, INC.

333 Logan St., Denver, CO 80203 • (303) 778-7700

This notice appears as a matter of record only.

SOLD

February, 1986

Fairfield Communications, Inc.

Serving: Coronado Ridge, LaCholla, Sunrise
and Green Valley, Arizona

Bruce Falkenberg represented the sellers.

coaxial capital
BRUCE FALKENBERG AND ASSOCIATES, INC.

333 Logan St., Denver, CO 80203 • (303) 778-7700

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next three months.

April

The Annihilators (422)
MPAA Rating: R
Cast: Christopher Stone, Andy Wood, Lawrence Hilton-Jacobs, Garrit Graham
Running Time: 86 mins.
Source
New World

Bad Medicine (434)
MPAA Rating: PG-13
Cast: Alan Arkin, Steve Guttenberg, Julie Hagerty
Running Time: 99 mins.
20th Century-Fox

Boys Next Door
MPAA Rating: R
Cast: Maxwell Caulfield, Charlie Sheen, Patti D'Arbanville
New World

Creator (411)
MPAA Rating: R
Cast: Peter O'Toole, Mariel Hemingway
Running Time: 108 mins.
Universal

The Glenn Miller Story (411)
MPAA Rating: G
Cast: James Stewart, June Allyson, Louis Armstrong
Running Time: 112 mins.
Universal

Grunt
MPAA Rating: R
Cast: "Magic" Schwarz, Steven Cepello, Wally George, Adrian Street
New World

The Journey of Natty Gann
MPAA Rating: PG
Cast: Meredith Salenger, John Cusack, Ray Wise, Scatman Crothers
Running Time: 101 mins.
Disney

My Man Adam (428)
MPAA Rating: R
Cast: Raphael Sbarge, Page Hannah, Veronica Cartwright, Dave Thomas
Running Time: 86 mins.
Tri Star

National Lampoon's European Vacation (416)
MPAA Rating: PG-13
Cast: Chevy Chase, Beverly D'Angelo, Dana Hill, Jason Lively
Running Time: 94 mins.
Warner Bros.

Pee-Wee's Big Adventure (416)
MPAA Rating: PG
Cast: Pee-Wee Herman, Elizabeth Daily, Mark Holton, Diane Salinger
Running Time: 92 mins.
Warner Bros.

Witness (411)
MPAA Rating: R
Cast: Harrison Ford, Kelly McGillis, Alexander Gidonov, Lukas Haas
Running Time: 112 mins.
Paramount

May

American Flyers (521)
MPAA Rating: PG-13
Cast: Kevin Costner, Rae Dawn Chong, David Grant, Alexandra Paul
Running Time: 114 mins.
Source
Warner Bros.

Black Moon Rising
MPAA Rating: R
Cast: Tommy Lee Jones, Robert Vaughn, Dubbi Smith
Running Time: 100 mins.
New World

Cocoon (51)
MPAA Rating: PG-13
Cast: Don Ameche, Steve Guttenberg, Maurven Stapleton, Jessica Tandy
Running Time: 118 mins.
20th Century-Fox

Fever Pitch (51)
MPAA Rating: R
Cast: Ryan O'Neal, Catherine Hicks, Chad Everett
Running Time: 95 mins.
MGM/UA

The Goonies (514)
MPAA Rating: PG
Cast: Sean Astin, Josh Brolin, Jeff Cohen, Corey Feldman, Martha Plimpton, Ke Huy Quan
Running Time: 114 mins.
Warner Bros.

To Live & Die in L.A. (51)
MPAA Rating: R
Cast: William Peterson, Willem Defoe, John Pankow
Running Time: 116 mins.
MGM/UA

Macaroni (516)
MPAA Rating: R
Cast: Jack Lemmon, Marcello Mastroianni
Running Time: 103 mins.
Paramount

Pinocchio
MPAA Rating: G
Cast: Animated
Running Time: 88 mins.
Disney

Rocky IV
MPAA Rating: PG
Cast: Sylvester Stallone, Talia Shire, Dolph Lundgren, Carl Weathers
Running Time: 92 mins.
United Artists

Sesame Street Presents: Follow That Bird (514)
MPAA Rating: G
Cast: Jim Henson's Sesame Street Muppets
Running Time: 84 mins.
Warner Bros.

White Nights (51)
MPAA Rating: PG-13
Cast: Mikhail Barishnikov, Gregory Hines
Running Time: 135 mins.
Columbia

June

Beginner's Luck
MPAA Rating: R
Cast: Sam Raimi, Riley Steiner, Kate Tallot
Running Time: 85 mins.
Source
New World

House
MPAA Rating: R
Cast: William Katt, George Wendt, Richard Moll, Kay Lenz
Running Time: 93 mins.
New World

James Joyce's Women (611)
MPAA Rating: NR
Cast: Fionula Flanagan
Running Time: 91 mins.
Universal

Jewel of the Nile
MPAA Rating: PG
Cast: Michael Douglas, Kathleen Turner, Danny DeVito
Running Time: 105 mins.
20th Century-Fox

Mishima: A Life in Four Chapters (618)
MPAA Rating: R
Cast: Ken Ogata, Kenji Sawada, Masayuki Shionoya
Running Time: 121 mins.
Warner Bros.

Murphy's Romance (61)
MPAA Rating: PG-13
Cast: James Garner, Sally Field
Running Time: 107 mins.
Columbia

Protector (628)
MPAA Rating: R
Cast: Jackie Chan, Danny Aiello, Roy Chiu, Victor Arnold
Running Time: 95 mins.
Warner Bros.

16 Days of Glory
MPAA Rating: G
Cast: Various 1984 Olympic Athletes
Running Time: 145 mins.
Paramount

That Was Then, This is Now
MPAA Rating: R
Cast: Emilio Estevez, Craig Sheffer, Kim Cattrall
Running Time: 102 mins.
Paramount

U2 Rattle and Bang (61)
MPAA Rating: PG
Cast: Cindy Williams, Harry Dean Stanton
Running Time: 94 mins.
Universal

Film information provided to International Thomson Communications Inc. by studios.

MARCH 24, 1986

C4722-2

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

CONGRESS, JUSTICE EYE ACTION ON SCRAMBLING

CBN'S ROBERTSON LASHES OUT AT MTV

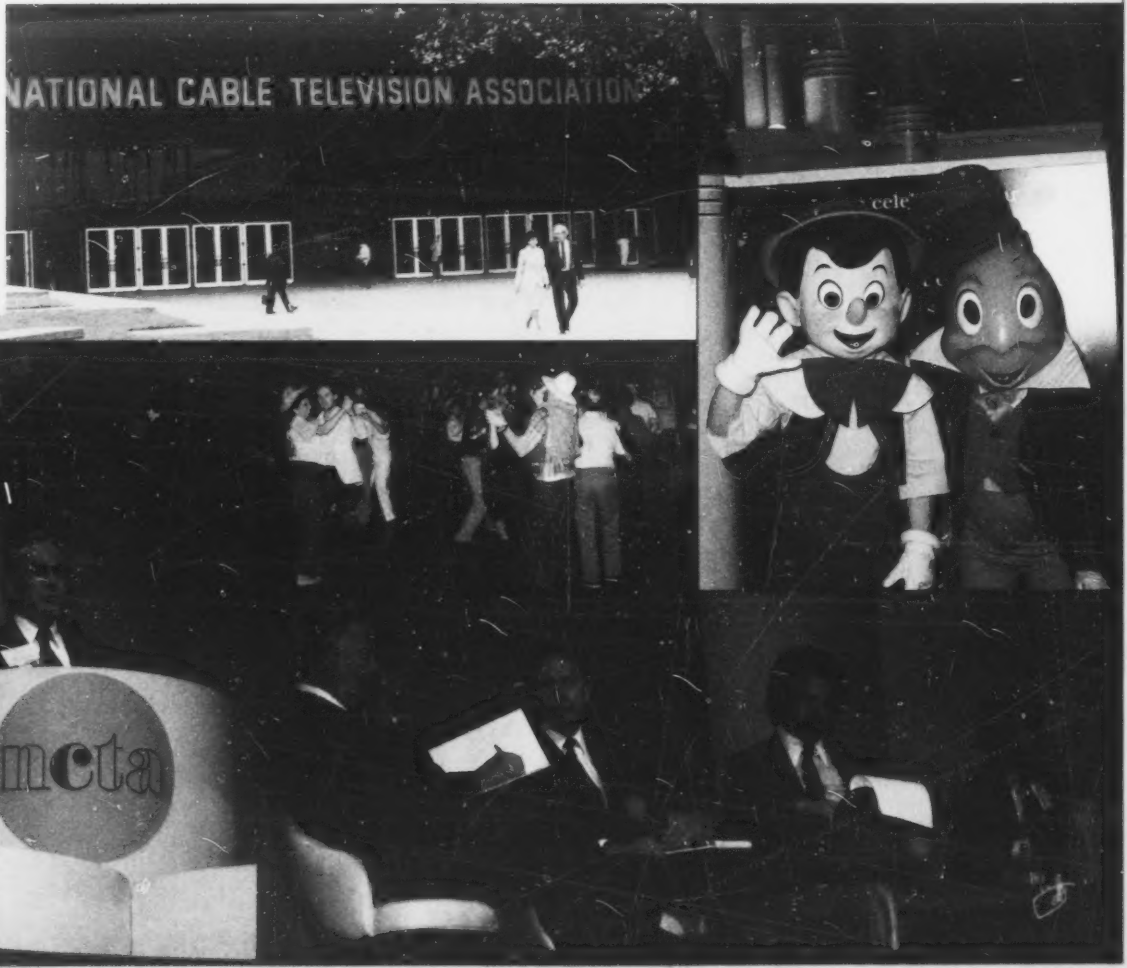
TURNER SOLIDIFIES POSITION ON MGM WITH BOND SALE

MSO'S SIGNAL ACQUISITIONS SPREE TO CONTINUE

NCTA '86 ROUNDUP: OPTIMISM PERVADES SHOW

CV 700260817 01
EDITOR ACQUISITIONS SRI
4520 EAST WEST HWY
BETHESDA MD

20814



CableVision

LEADING THE WEEK

Scrambling sessions 11

Legislators who attended the NCTA convention threatened Congressional intervention if the cable industry refuses to permit third-party satellite program packaging.

Justice Dept. probe 11

The U.S. Department of Justice has formally requested information from operators, programmers and trade associations as part of an inquiry into the distribution of scrambled satellite programming.

Advertisers lambasted 12

CBN's Pat Robertson assailed advertisers for their lack of "responsible" ad buys, evidenced by their purchase of time on MTV.

Turner's takeover 14

Turner Broadcasting has sold off \$1.4 billion in notes and debentures, clearing the way for the proposed acquisition of MGM-UA for \$1.5 billion.



Ed Horowitz (left) of HBO receives the President's Award from NCTA President James Mooney.

Still-photo ads 15

Numedia Corp. and Tribune Media Services have jointly formed NuCable Services, which will allow operators to create still-photo ad channels.

Optimistic exhibitors 16

Hardware vendors at this year's NCTA convention showed a high level of optimism and many report improved sales over last year.

NCTA National Awards 17

William Strange Jr., Marc Nathanson and Robert Wussler were some of the recipients of NCTA's National Awards, the industry's highest accolades.

CBN fee 18

The CBN Cable Network announced that it will begin charging its affiliates a fee starting Jan. 1.

NCTA election 18

ATC's Chairman and CEO Trygve Myhren was elected chairman of the NCTA board of directors for 1986-87.

Must-carry 19

FCC commissioners said they are willing to consider the must-carry compromise recently struck by cable and broadcast trade associations, but expressed some concerns.

TOPICS

Programming 22

Suburban and Cox led the way at the 1986 System ACE Awards Show by taking home six awards each. Also, The Learning Channel announces a plan to double the length of its daily schedule.

Marketing 26

An NCTA panel looks at how effective customer service campaigns can have a positive effect upon subscriber satisfaction—with relatively low cost.

On Demand 30

Industry leaders termed pay-per-view as the future of cable during the NCTA convention in Dallas last week. Also, two operators report success in the home video rental market.

Business 37

Acquisition of properties will remain the growth strategy for many cable operators, according to plans espoused by executives. Also, the pendulum swings back toward the breakup of Group W.

Departments

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Cover story

This week's issue of *CableVision* provides full coverage of the National Cable Television Association's annual convention held this year in Dallas. Cover photos show the numerous activities that took place.

CABLE STATS

Film product comparison—April

Film	Pay Networks	Distributor	Film	Pay Networks	Distributor
Act of Vengeance	HBO*	Telepix	Hardbodies	HBO	Columbia
All of Me		Universal	Heidi	(ST)	20th Century-Fox
Alley Cat	TMC	Film Venture	Hemingway Play, The	HTN	The Entertainment Network
The Amateur		MAX		HTN*	King Features
American Dreamer	(HBO)	MAX	High School U.S.A.	HBO*	
Amityville the Demon	HBO	Dino de Laurentis	Hills Have Eyes, The		Castle Hill
Andersonville Trial, The		The Entertainment Network	Part 2	HBO	
Arrangement, The		Warner Bros.	History of the World		
Avalanche	(HBO)	New World	Part 1	ST	(MAX) 20th Century-Fox
Ballad of Gregoria Cortez		Embassy	Honey	ST	Italocons
Bananas	ST	(MAX) MGM U/A	Honeyuckle Rose	ST (TMC)	(MAX) Warner Bros.
Being There	(ST) (TMC)	MAX	Hopscotch	(ST)	MAX
Benji	HBO	Lozman	Hot Dog... The Movie	HBO*	(MAX) MGM U/A
Best Defense	ST	(MAX) Viacom	Hot Resort	HBO	(MAX) Cannon Films
Bill Cosby: Himself	HBO	Paramount	House of the		
Bishop & Wife, The	ST	20th Century-Fox	Long Shadows, The	HBO*	ST (TMC)
Blame It On Rio	(HBO)	Metro Goldwyn Mayer	How Sweet It Is		TMC (HTN) (MAX)
Blame It On The Night	HBO	20th Century-Fox	I'll Be Seeing You		HTN
Blithe Spirit		Tri-Star	The Incredible		
Blood Simple		New Century	Shrinking Woman	ST	(HTN)
Body Double	(HBO)	Circle Releases	Innocent Love		HTN
Breakin' 2	(HBO)	MAX*	Invisible Stranger		TMC*
Burgadeen		Columbia	The Jerk	HBO	ST*
Buddy System, The		MAX	Jesus		TMC (HTN) (MAX)
Bustin' Loose	ST*	MAX	Johnny Dangerously	HBO*	ST (TMC)
Came Mutiny, The		Columbia	Just The Way You Are	(HBO)	(ST) HTN*
Callaway Went Thataway		MAX	Kelly		(TMC) MAX*
		MGM U/A	Kentucky Woman	HBO	HTN
			Kilpoint		TMC
Camelot		Warner Bros.	Ladies of the Chorus		MAX
Cannonball Run 2	(HBO)	MAX*	The Last Dragon		MAX
Catherine & Co.		MAX	The Last Married		
Cat's Eye	HBO	MGM U/A	Couple In America		TMC
Champ, The	(HBO)	ST (TMC)	The Last of		HTN*
Children of the Corn	(HBO)	MAX	Mrs. Lincoln		HTN*
C.H.U.D.		MAX			MAX
City Heat	(HBO)	(ST) (TMC)	The Last Starfighter	(ST)	HTN*
City Lights		ST	The Last Unicorn	HBO	HTN*
Cloak & Dagger		(ST) HTN	Laurel & Hardy's		
A Clockwork Orange	HBO	(ST) HTN	Laughing '20s	ST	
Coal Miner's Daughter	HBO	(ST) TMC*	Lamlight	ST	
Code of Silence	HBO	(MAX) Orion	Little Drummer Girl, The	(HBO)	(ST) (TMC)
Comfort & Joy	HBO	(TMC) HTN	Lonely Guy, The		ST* TMC*
Competition, The	HBO	(MAX) Columbia	Lonely Heart		TMC
Corsican Brothers, The	(HBO)	MAX	Love Letters	ST*	(TMC) (MAX)
The Crackers	(HBO)	(ST) TMC	Love Me or Leave Me	(ST) TMC*	(MAX)
Creature	HBO	Universal	Made For Each Other		HTN
D.C. Cab	(HBO)	ST (TMC)	Mad Woman of Chailot		TMC (MAX)
Death Hunt		MAX	Main Event, The	HBO*	(ST) (TMC)
Desperately			Martin & Day	(HBO)	HTN
Seeking Susan	(HBO)	HTN (MAX)	Marvin & Tige		ST
Devil & Daniel Webster, The		Orion	Mass Appeal	(HBO)	ST (TMC) (HTN)
Divine Nymph, The		New Century	Mating Game, The	HBO	
Dune	(HBO)	ST (TMC)	Methballs		MAX
Emanuelle in Bangkok		MAX*	Merry Andrew	ST	
End Game		Film Gallery	Metalstorm: The		
Eraserhead		Muller Media	Destruction of		
Exposed	HBO	Almi	Jared Syn	(HBO)	TMC (HTN)
Falcon and		MGM U/A			Universal
the Snowman, The	HBO				
Falling in Love		(MAX) Orion			
Fandango	HBO*	ST (TMC)			
Fanny Hill		(TMC)			
Farmer's Daughter, The		MAX			
Final Terror, The	(HBO)	HTN			
Firestarter	HBO	ST			
Firstborn		(ST) TMC*			
Flash Gordon		(MAX) Paramount			
Forever Darling		ST			
Formula, The		(MAX) Famous Films			
Four Seasons, The		ST*			
French Woman, The		(ST) (TMC)			
Friday the 13th		(ST)			
A New Beginning		ST (TMC)			
Friday the 13th: Part IV		TMC			
From Here to					
Eternity		MAX			
General, The		ST			
Gentleman Tramp, The		HTN			
George Washington					
Slept Here		ST			
A Global Affair		ST			
Gloria		MAX			
Goodbye Girl, The	(HBO)	ST* (TMC) (HTN)			
Grey Fox, The		MAX			
Greystoke	(HBO)	ST*			
Hambone & Hillie		(ST) HTN (MAX)			



'Police Academy 2: Their First Assignment.'

Film Pay Networks Distributor

The Miracle of Kathy Miller	HBO				MAX	Universal
The Miracle Woman						Columbia
Moving Violation	HBO	ST	TMC			20th Century-Fox
1918					MAX	Film Gallery
9 to 5			(TMC)	HTN	(MAX)	20th Century-Fox
Never Let Me Go			TMC			MGM/UA
A Nightmare on Elm Street		(ST)	(TMC)		MAX	New Line Cinema
Night of the Comet	(HBO)	(ST)	(TMC)	(HTN)	MAX	Atlantic TV
A Night to Remember			TMC			New Century
Night Train To Munich					MAX	20th Century-Fox
Nobody's Perfect	HBO					Columbia
Norma Rae	(HBO)	(ST)	(TMC)	HTN	(MAX)	20th Century-Fox
No Small Affair	HBO				(MAX)	Columbia
Not For Publication	(HBO)				MAX	Thorn-EMI
Notorious				HTN		ABC Video
Oh, God! You Devil	(HBO)	ST*	TMC*	HTN*	(MAX)	Warner Bros.
Oliver!	(HBO)				MAX	Columbia
Out of Control	HBO*	(ST)	(TMC)			New World
Phar Lap						20th Century-Fox
Piranha 2			TMC			Viacom
Police Academy	HBO*	ST	(TMC)		(MAX)	Warner Bros.
Police Academy 2	HBO	ST	TMC			Warner Bros.
Purple Rain					MAX*	Warner Bros.
Purple Rose of Cairo, The	HBO				(MAX)	Orion
The Pursuit of D.B. Cooper			TMC			King Features
Pygmalion			TMC*			New Century
Raffles		ST	TMC			Goldwyn
The Ratings Game						Showtime
The Razor's Edge	(HBO)				MAX	Columbia
Reckless	HBO				(MAX)	MGM/UA
Remember The Day					MAX	20th Century-Fox
Revenge of the Nerds		(ST)			MAX*	20th Century-Fox
Rhinestone		ST		HTN	(MAX)	20th Century-Fox
Richard Pryor						G. Biller
Live In Concert		ST				New Century
Richard III			TMC			MGM/UA
Ride, Vaquero					MAX	MGM/UA
The River	(HBO)	(ST)	(TMC)	(HTN)	MAX	Universal
Rock and Rule	HBO		TMC			MGM/UA
Roller Boogie	HBO				CMP	CMP
Romancing The Stone		(ST)	(TMC)	HTN	(MAX)	20th Century-Fox
Romantic Comedy		(ST)	TMC		(MAX)	MGM/UA
Rosebud						
Beach Hotel, The	HBO*	(ST)				Almi
Rustler's Rhapsody		ST				Paramount
Sacred Ground			TMC			Pacific Int'l
Second Thoughts	HBO					Thorn-EMI
Sensuous Nurse, The					(MAX)	Castle Hill
The Shining, The		(ST)	TMC*		(MAX)	Warner Bros.
Shipwreck			TMC			Warner Bros.
Silent One, The		ST				Satori
Sixteen Candles		ST*		(HTN)	(MAX)	Universal
Skidoo		ST				Paramount
Sluggers' Wife, The					MAX	Columbia
Some Kind of Hero					MAX	Paramount
Something Wicked						
This Way Comes	(HBO)	(ST)	TMC	(HTN)		Touchstone
Spiral Staircase, The				HTN		ABC Video
Splash	(HBO)	ST	(TMC)	(HTN)	(MAX)	Touchstone
Starman	(HBO)				MAX	Columbia
Start & The Revolution						
Without Me		ST		(MAX)		Warner Bros.
Steel				HTN	MAX	Steel Comp
Stick	HBO	ST	TMC			Universal
Stone Boy, The				HTN	MAX*	20th Century-Fox
Sugar Cane Alley					MAX	Orion
Supergirl	(HBO)				MAX	Tri-Star
Surf II			(TMC)		MAX	Film Gallery
Swing Shift	(HBO)		(TMC)	HTN	(MAX)	MGM/UA
2010	(HBO)	(ST)	(TMC)	HTN*	MAX	MGM/UA
Talk To Me	HBO		(TMC)			Atlantic TV
Tank	HBO	(ST)		(HTN)	(MAX)	Universal
Tell Me That						
You Love Me	HBO*					The Movie Store
Ten From Your						
Show of Shows		ST		(MAX)		Les Haber
Terms of Endearment		ST	(TMC)			Paramount
Terror In The Aisles			TMC		MAX	Universal
Tex	HBO		(TMC)	HTN*	(MAX)	Walt Disney
That Championship Season			TMC		(MAX)	Viacom
Thief of Hearts		(ST)	TMC			Paramount
Thieves After Dark			TMC			Paramount
Third Man, The			(TMC)		MAX*	New Century
Threshold					MAX	20th Century-Fox
Tightrope		(ST)	TMC*		(MAX)	Warner Bros.
Topper			TMC*			Hal Roach Studios
Twelve Months, The				HTN*		Turner Program Service
Two Of A Kind		(ST)			MAX	20th Century-Fox
Utilities			TMC*			The Movie Store
VIPs, The			TMC*			MGM/UA
Way Out West		ST	(TMC)			Hal Roach Studios



'Never Let me Go,' starring Gene Tierney and Clark Gable.



'Stick' starring Candace Bergen and Burt Reynolds.

Film Pay Networks Distributor

Where The Boys Are (1984)	HBO		(MAX)	Tri-Star
Who's Afraid of Virginia Woolf		TMC*		Warner Bros.
Wild Life, The	HBO	TMC	(MAX)	Universal
Woman In Red, The			MAX	Orion
Women In Love		TMC*		MGM/UA
Wuthering Heights	(HBO)	TMC*		Goldwyn
Yellow Cab Man, The		ST		MGM/UA
Young Bess			MAX	MGM/UA
Zapped		TMC	MAX	Embassy
Zulu Dawn	HBO			Zulu Dawn

Cable Network Legend:
HBO-Home Box Office
ST-Showtime
TMC-The Movie Channel
HTN-Home Theater Network
MAX-Cinemax

■ Networks in parentheses indicate carriage in November, December, January, February and/or March.

■ An asterisk indicates the film is a carry-over from November, December, January, February and/or March.

■ In total, 222 films appear on the April schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, 10 films have played on all five services, 17 films have played on four of the five services, 34 films have played on three services and 62 films on two of the five services. Ninety-nine titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV this month is MGM/UA with 27, followed by 20th Century-Fox with 25, Warner Brothers and Universal with 24 each and Columbia with 13.

MARCH 31, 1986

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CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

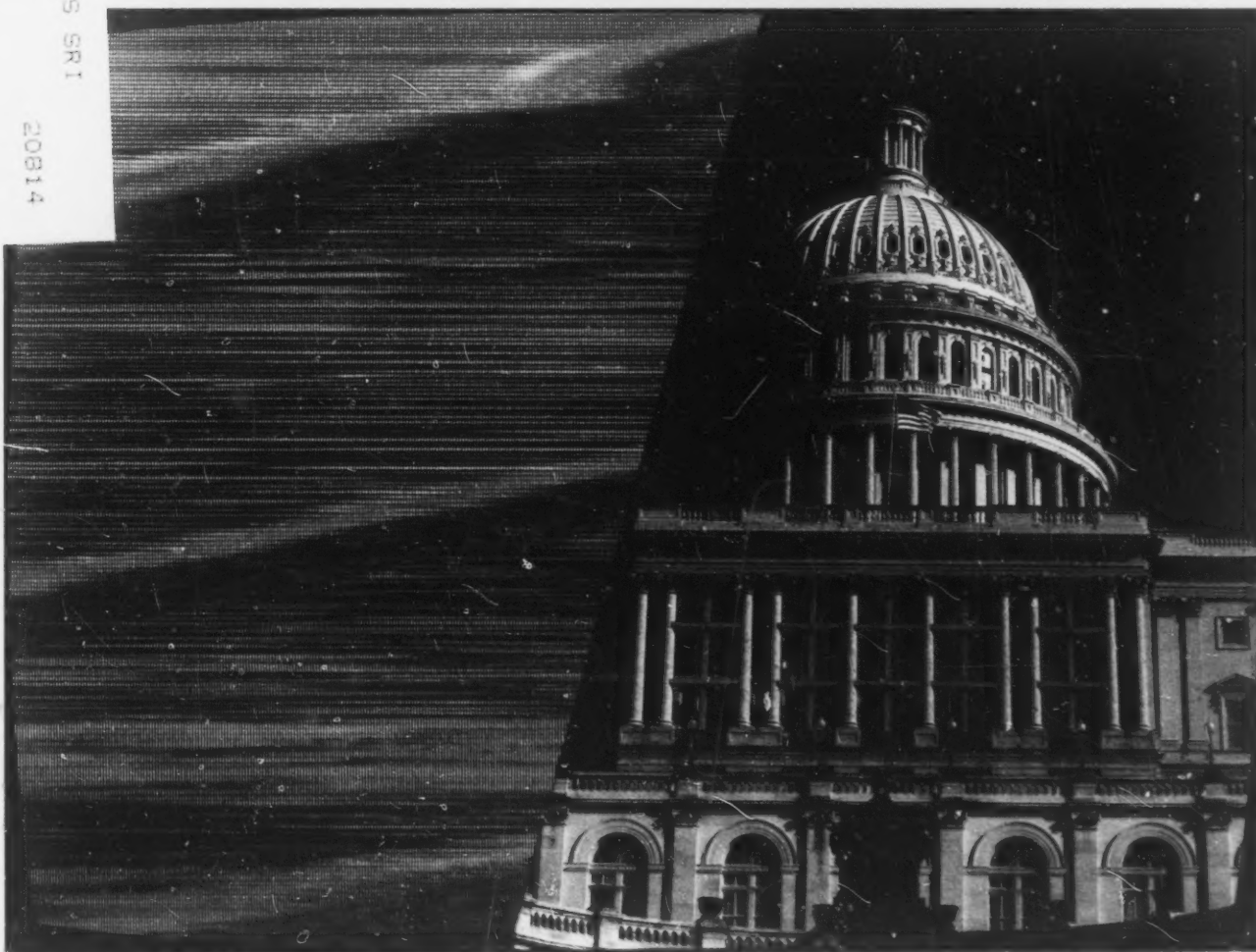
PROGRAMMERS RETHINKING C-BAND DIRECT MARKETING PLANS

TURNER COMPLETES MGM DEAL, HOPES TO KEEP STUDIO

HBO RETURNING TO STRONGER EMPHASIS ON PREBUYS

CBN CANCELS NEWS PROJECT

THE ANTI-THEFT ARSENAL: ARE THE WEAPONS WORKING?



CV 000260827 01
EDITOR ACQUISITIONS SRI
4320 EAST WEST HWY
BETHESDA MD
20814

CableVision

LEADING THE WEEK

Marketing plans 11

Cable programmers are expressing a new willingness to consider third party program packagers, prompted by a Justice Department probe.

Cable 'monopoly' 11

Rep. Billy Tauzin has authored a letter in which he claims the cable industry is attempting to monopolize the sale of programming.

Buyout completed 12

Ted Turner has completed his purchase of MGM. Now he will attempt to maintain ownership of the assets.

CNN scrambles 12

CNN and Headline News begin scrambling tests.

Must-carry pact 14

The FCC was formally presented with the must-carry compromise agreement. The FCC will seek additional input.

Bullish picture 14

Analyst Dennis Leibowitz told the

Washington Metropolitan Cable Club that the cable industry is enjoying a bullish marketplace.

Emphasis shifts 15

HBO will return to the financing of motion pictures through prebuying, CEO Fuchs announced.

Show canceled 15

After just eight weeks of existence, CBN has yanked its news program off the air.

Copyright safe 16

Key members of Congress told members of the NCTA and MPAA that cable's compulsory license faces little threat in 1986 despite the breakdown of copyright talks between the industries.

Employee inspiration 16

Cable operators were encouraged to find way to motivate and inspire employees to improve system performance.

Conspiracy alleged 17

City Communications Inc., one of two unsuccessful bidders for Detroit's \$150



million cable contract, has filed a lawsuit seeking \$150 million in damages and dissolution of the franchise agreement.

Pirates pact 18

TCI has formed a regional basic interconnect to carry 50 Pittsburgh Pirates baseball games.

TOPICS

Programming 19

NBC is talking with several entities about offering selected portions of the 1988 Summer Olympics to a regional cable sports network coalition. Also in programming, price and programming are seen as the keys to the future of pay TV.

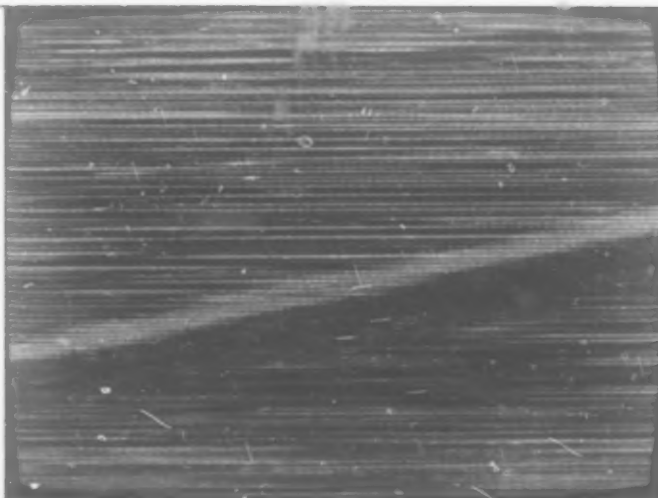
Business 28

TCI reports a drop in cable earnings for 1985 while posting revenue increases for the company as a whole. Also in business, Tempo has signed NOW Weather as its newest VBI customer.



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Cover Story 21

Federal and state laws, combined with ever more sophisticated signal security techniques, comprise a formidable arsenal in cable's battle against theft. But there are many reasons why they aren't being put to full use, even as the annual theft loss totals continues to creep upward. This week's scrambled image photograph was supplied by the Jerrold Division of General Instrument. (We failed to credit Candace Drake of our New York office for last week's cover and other photos from the NCTA Show.)

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
AC/TS Satellite Network	220	4,000,000
Alternate View Network	N/A	1,221,194
Arts & Entertainment (A/E)	2,200	18,000,000
Black Entertainment	500	13,015,183
Teletoon (B/E)		
Cable News Network (C/N)	8,300	13,901,000
C-SPAN	2,000	24,000,000
CHS Cable Network	7,814	80,000,000
Country Music Television	300	8,300,000
The Discovery Channel	390	6,225,000
ESPN	27,013	66,900,000
Evening World Television	226	4,000,000
Network (E/W)		
Financial News Network (F/N)	1,200	21,000,000
Hughes News	1,157	10,114,000
Hot Video (H/V)	N/A	N/A
Home Shopping Network	574	8,000,000
International Living	19	7,000,000
The Learning Channel	700	6,300,000
Liberty Broadcasting Network	100	1,250,000
Extension	2,500	24,000,000
Music Television (MT)	1,000	28,000,000
The Nashville Network	1,500	21,000,000
National Jewish Television (N/J)	243	1,500,000
Northeastern	4,200	26,000,000
PTI: The International Network	1,700	17,500,000
Rock Christian Network	N/A	N/A
Satellite Program Network (SPN)	600	17,000,000
Silent Network	700	6,500,000
SIN Television Network	300	17,750,700
Spanish N. L. Network	N/A	N/A
Telemundo Broadcasting Network	425	40,211,000
USA Network	3,300	11,000,000
Video Hits One	600	11,000,000
The Weather Channel	2,077	26,200,000
WGN-TV	7,000	17,000,000
WIDE-TV	1,000	5,400,000
WPIX-TV	1,000	1,500,000
WTBS-TV	10,400	86,070,000
Pay services		
American Express	1	500,000
American Movie Classics	1,000	270,000
Bonus	2,000	1,500,000
Comcast	1,000	1,100,000
The Disney Channel	1,000	7,147,000
Entertainment	270	1,000,000
Home Box Office (HBO)	3,000	14,500,000
Home Theater Network (HTN)	100	300,000
Shoreline	1,000	8,400,000
The Movie Channel	270	4,250,000
The Newdigat Channel	30	170,000
The Payday Channel	300	750,000
Private Ticket	4	N/A
Audio services		
Cable Radio Network	14	1,100,000
KKGG Super Hit	N/A	N/A
Lifestyle	151	2,300,141
Lifestyle-M	300	470,170
Musical Radio Network	11	114,104
Satellite Radio Network	700	801,000
Star Ship Stereo Inc.	10	1,115,000
Stardom	N/A	N/A
WMT Chicago	107	1,100,000
Text services		
AP News Cable	129	4,300,000
AP News Plus	30	700,000
Cable Sportstracker	14	847,000
DBC MarketWatch	N/A	N/A
Electronic Program Guide (EPG)	267	8,500,000
EPG Jr.	41	401,111
FAX	4	195,210
Gemini Cable Storyline	23	600,000
Reuters News View	125	3,250,000
Score	850	16,200,000

Basic services	Affiliates	Subscribers
TV Decisions	106	2,826,401
UPI Data Cable	450	4,000,000
X-Press	N/A	N/A

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fair Network	5	11,044
Support Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	1	150,000
Bay Area Religious	4	93,000
Channel (BARE)		
Buffalo Sabres Hockey	8	450,000
Cable TV Network of New Jersey	36	1,045,000
The Connecticut Channel	6	148,000
KTVI	88	2,022,000
Late Newsweek	24	36,000
Madison Square Garden	47	1,800,000
Meadowlands Racing Network	14	446,000
Metro Channel	7	135,000
Newsday Cable	1	240,019
Private Ticket	N/A	825,000
Texas Cable Network	15	800,000
Pay services		
Dodgecast	40	N/A
Home Sports Entertainment	86	135,800
Houston-Dallas		
Home Team Sports	65	189,000
New England Sports Network	107	84,023
PRISM Philadelphia	86	180,000
Pro-Am Sports	94	103,000
Sports Channel (New England)	60	95,000
Sports Channel (New York)	53	473,000
SportsVision (Chicago)	29	164,000
3 Channels	21	95,000

Announced services

Satellite-fed services	Expected Launch
ABC Pay Per View service	4th Quarter 1996
Apple Entertainment Television	TBA
The Book Channel	TBA
The Bravo Channel	TBA
Calgary	4th Quarter 1996
C-DMB: TCT Shopping Service	1st Quarter 1996
Comedy Television	9-96
Discovery Company Network	1997
Discovery Historical Network	4th Quarter 1996
Discovery Music Network	TBA
El Canal Musical	4th Quarter 1996
Elting Radio Network	TBA
Event Television	7-96
International Business Network	4th Quarter 1996
Magicade	TBA
Musica Time	12-96
Norwest National Digital Network	2nd Quarter 1996
The Sports Network	1-97
Tallies Channel	5-96
The Travel Network	4th Quarter 1996

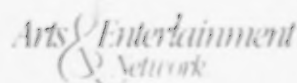
N/A denotes not available
TBA denotes to be announced

* Total SIN reach: Spanish-speaking households 6,114,400

Source: Subscribers and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.



Arts & Entertainment

Allset (N)
American Express (R)
Armour-Dial (R)
AT&T (various divisions) (R)
Benetton (N)
Buick (R)
Canon (N)
Chevron (N)
Ford Motor Co. (R)
General Motors (R)
Gillette (N)
Greek Tourism (R)
Grey Poupon (N)
Hitachi (R)
Italcable (R)
Kikkoman (N)
MasterCard (N)
New Yorker Magazine (R)
Qantas Airlines (R)
Ralston-Purina (R)
Steinway Pianos (N)
USA Today (R)
Wells Fargo (R)



BET

American Beauty Products (R)
Anheuser-Busch (R)
Bristol Meyers Co. (N)
C.B. Fleet Co. (N)
Campbell's Soup (R)
Carson Products (R)
Coca-Cola (R)
Columbia Pictures (R)
Conceted Records (N)
Frito-Lay (N)
General Mills (N)
Hershey (R)
Home Box Office (R)
J.C. Penney (R)
Jamaica Tourist Board (N)
KFC Corp. (R)
M&M Products Co. (R)
McDonald's (R)
Mars Inc. (N)

Mobil Oil (R)
Nike (R)
Pepsi Cola (R)
Pro Care (R)
Pro-line (R)
Procter & Gamble (R)
Quaker (R)
Sears Roebuck & Co. (R)
Thompson Medical (R)
U.S. Army (R)
U.S. Marine Corps (R)
Venus De Milo (R)
Warner Bros. (R)
Warner Lambert (R)
Wendy's International Inc. (R)



C-SPAN*

Centel
DuPont
Gannett
General Instrument
Times Fiber
Times Inc.



The Discovery Channel

Antiques Magazine
Architectural Digest
Barron's Weekly
Bird Talk
Bon Appetite Magazine
Business Week
Cat Fancy
Changing Times Magazine
Charles Schwab
Consumer Reports
Dreyfus Fund
Enchanted World
Esquire Video Products
Family Computing Magazine
Field & Stream Magazine
Home Magazine
Kent Collectibles
M Magazine
National Business
Employment Weekly
Prudential Insurance

Psychology Today
Save The Children's Fund
Smithsonian Magazine
Sports Illustrated
Time + Life Books
Transamerica Occidental
U.S. News & World Report
W Magazine
Wall Street Journal
Working Woman Magazine



The Learning Channel

California Beef Council (N)
Charles Schwab (R)
Commodore Computers (R)
Family Computing Magazine (N)
Smithsonian Magazine (R)
Standard & Poor's (R)
Time + Life Books (R)
Working Woman Magazine (R)

The Silent Network †

Campbell's Soup
Hallmark Cards
Kal Kan
Mattel Toys
Solarts
Ultratec



SPN †

AT&T
Bayer
Beechut
Budweiser
Casio
Continental Airlines
Eventflo
Fisher Price
Gerber
Heinz
Hilton Hotels
Huggies
Ivory Snow
Johnson & Johnson
Kodak
Maytag
Norelco
Playboy Magazine
Playtex

Redman Chewing Tobacco
Rubbermaid
Sears
Time + Life Books
Tropicana
United Airlines
Valvoline
Vaseline
Windjammer
Yamaha



The Weather Channel

A.H. Robbins (R)
Allstate (R)
Amana (N)
American Home Products (R)
Armour-Dial (R)
Champion Spark Plug Co. (R)
Chevrolet (N)
Clorox (R)
Columbian Coffee (R)
Hartford Insurance (N)
Italcable (R)
Kraft Foods (R)
M&M Mars (R)
Michelin (R)
Pearle Vision (R)
Pillsbury (R)
Procter & Gamble (R)
Puerto Rican Tourism (R)
Ralston Purina (R)
S.C. Johnson (R)
Sara Lee (N)
Sears Roebuck (R)
Sterling Drugs (R)
Thompson Medical (R)
United Airlines (R)
Warner Lambert (R)

*Not for sale
†Not for sale
*Not for sale
†Not for sale

Source: Advertising rates are provided by the program services to the program. They are not for sale.

4722-2

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

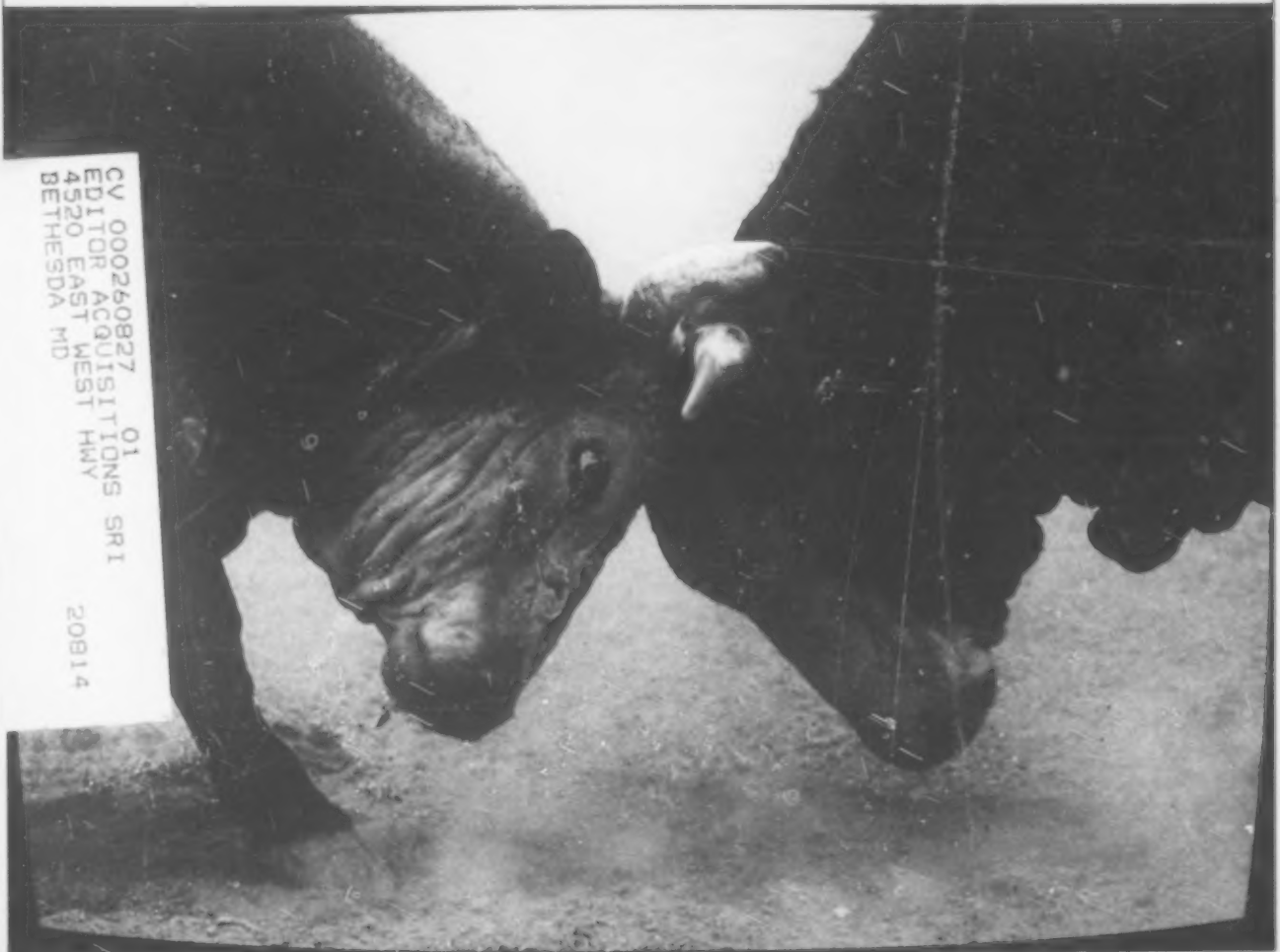
MEESE COMMISSION BACKING AWAY FROM CABLE HARDLINE

TCI'S MALONE PUSHING FOR POOLED CABLE PROGRAMMING EFFORT

VIACOM/SHOWTIME IN MAJOR EXCLUSIVITY DEAL WITH CANNON

PRO FOOTBALL SEEN LIKELY FOR CABLE OUTLET IN '87

THE BATTLE OF THE BULLS: BROKER TALLIES UP IN '85



CV 000260827 01
EDITOR ACQUISITIONS SRI
4520 EAST WEST HWY
BETHESDA MD

20814

CableVision

LEADING THE WEEK

Commission backs off

Members of the Commission on Pornography are apparently backing away from a staff recommendation of a federal indecency standard for cable television.

Programming call

TCI's John Malone is telling his MSO colleagues that the time has come for cable to commit itself to the production of first-run, cable-only programming to rival the broadcast networks.

Service packager

Two players in the TVRO and SMATV markets have joined together to organize a package of scrambled cable services to the backyard dish market.

Viacom/Cannon pact

Viacom, the parent company of Showtime/The Movie Channel, and Cannon Films have reached a long-term exclusive rights deal encompassing

current and future films as well as world syndication through 1989 and beyond.

Comic Relief

HBO's cablecast of *Comic Relief* has generated \$2.5 million so far for the nation's poor and homeless. Officials plan now to count how many viewers watched the show.

Licensing deals

EventTeleVision has concluded pay-per-view licensing deals with five film studios and anticipates signing two more.

Viewership up

Turner Broadcasting officials say WTBS and Headline News in February scored their highest 24-hour household viewership averages ever.

Turner finances

Turner Broadcasting's net income fell 88 percent because of the company's

failed attempt to take over CBS. However, operating income showed a healthy gain.

Cable Act appeal

Officials of Montgomery County, Md., have asked the U.S. Court of Appeals to review an interpretation of the franchise modification provisions of the 1984 Cable Act.

New service growing

The A.C. Nielsen Co. says its new service that allows system operators to compare the local performance of cable networks with national numbers is gaining popularity.

Sports panel

Three cable executives predict that because of climbing rights costs, the broadcast networks will allow cable programmers to grab a piece of the NFL game coverage.

TOPICS

Programming

The success of a statewide public affairs program in North Carolina may bring about a coalition of state governments interested in leasing a satellite transponder for shared use.

Marketing

The Arts & Entertainment Network signaled an expansion of its grass-roots Community Marketing program that company officials say helps the public realize cable's value. Also in marketing, Cableview Publications is joining a

growing field of firms selling promotional videos to operators, specifically targeting LO channels.

Business

The holder of the franchise to wire the nation's capital reported that it has secured \$45 million to begin building that city's system.

The strength of the takeover market for intermediate and large size cable systems was again signaled by recent acquisitions of operations in Nevada, Alaska and Washington.

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Cover Story

Fueled by declining interest rates and a high demand, brokers who handled cable properties in 1985 produced the largest annual system sales volume in the industry's history. The bullish atmosphere is expected to continue through 1986, when several blockbuster deals, like the \$1.75 billion Group W acquisition, are scheduled to close.

BUSINESS & FINANCE

Annual systems transaction roundup

Brokers on a roll from '85; expect '86 to be better yet

By Virginia Munger Kahn

Closings or blockbuster deals along with declining interest rates and continuing high demand for properties make it a cinch that 1985's bubbling cable market will boil over in 1986, producing the largest annual system sales volume in the industry's history.

The granddaddy deal of them all—the MSO consortium's acquisition of Group W Cable for \$1.75 billion—is scheduled to close June 30, and two other major deals—the Washington Post's \$350-million acquisition of Capital Cities Cable and Jones Intercable's \$237-million deal for nine Tribune systems—will be credited against 1986 accounts, even though they were first announced in 1985.

But the cable system market's strength is not simply a function of ma-

jor deals announced last year. In 1985 the depth and breadth of the buying and selling activity translated into record performances for many cable brokerage houses. And all are predicting 1986 will be even better.

Interest high

"In the nine years I've been in business, I've never seen this kind of interest" on the part of buyers, said Pat Thompson, president of the brokerage firm that bears her name. "Nineteen eighty-six will be an absolutely wonderful year," she said, noting that by the end of April her company will have closed eight deals compared to 11 for all of 1985.

As Rick Michaels, chairman of Communications Equity Associates, put it, all the "sweat and activity" took place in 1985, but the deals won't close and the brokers won't get their commissions until 1986.

The business claimed by Communications Equity Associates last year was \$534.7 million in system transactions, as against the \$518.4 million claimed by Daniels & Associates, traditionally the top ranked broker.

The most important piece of business for CEA was its involvement in the \$230-million trade between Times Mirror and Storer Communications in which it represented both parties. "That was the first really large deal" CEA has done, Michaels noted, and it was impor-

	Year	Brokerage System Sales (in millions)	Number of Deals	Debt of Equity Placement (in millions)
Communications Equity Associates	84	\$ 256.3	39	\$ 86.4
	85	534.7	35 (14%)	129.2
Daniels & Associates	84	561.2	43	192.0
	85	518.4	41 (17%)	47.5
Cable Investments Inc.	84	34.5	10	15.0
	85	92.2	6 (2%)	29.8
Waller Capital	84	50.0	5	10.0
	85	51.7	8 (3%)	N/A
Pat Thompson Co.	84	14.0	10	—
	85	N/A	11 (4%)	—
Charles Greene Associates	84	11.4	8	1.5
	85	14.7	11 (4%)	4
No Broker	85	N/A	113 (46%)	—
Others	85		20 (8%)	—
TOTAL			245	

tant for establishing the credibility of the company's current team of brokers.

All told in 1985 the company completed 35 transactions involving more than half a million subscribers. The deals had an average value of \$1,063 per subscriber, according to data provided by the company.

For Daniels & Associates, its biggest deals are still waiting to close—the Tribune/Jones Intercable transaction and the sale of International Cable in Buffalo, with its 126,000 subscribers, to Adelphia Communications. "We had a number of good-sized transactions where we did the work in 1985 and will see the rewards in 1986," said Daniels Senior Vice President Phil Hogue.

Nevertheless, the company closed 41 transactions last year at a total value of \$518.4 million. More than 531,000 subscribers changed hands in those transactions, and, on a weighted basis, prices per subscriber were \$1,050. Daniels and CEA dominated the brokerage business, doing more than \$1-billion worth of cable transactions.

Big benefits

The second tier of brokerage companies also benefited handsomely from last year's active market, with the majority turning in record performances. Cable Investments Inc. saw record activity in 1985, closing six deals valued at \$92.2 million with another \$29.8 million in financing activity. These transactions represented a better than 150 percent and 98 percent increase, respectively, in cable brokerage and financing business for the company. More than 54,000 subscribers changed hands in Cable Investments' transactions at an average value of \$1,110 per subscriber. A large chunk of that company's activity was provided by the Heritage Communications' deal for a minority interest in Diversified Communications.

Waller Capital did more than \$51 million in brokerage activity in 1985 on nine deals involving more than 61,000 subscribers. The value of those transactions on a per subscriber basis was \$839. Waller's largest deal last year was the sale of Cox Cable's systems in Lewiston and Tyrone, Penn. to Susquehanna Broadcasting.

Charles Greene Associates, also, had its best year last year, closing 11 transactions valued at \$14.7 million. The company did \$4 million in financing activity. These deals represented 29 percent and 166 percent increases in those

This Announcement Appears As a Matter of Record Only.

February 1986

SOLD

Manchester Cable TV, Inc.

Serving the City of Manchester and County of Coffee, Tennessee

The Undersigned Represented the Seller.



Cable Investments, Inc.

8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

This Announcement Appears As a Matter of Record Only.

February 1986

\$3,400,000

TBA, INC.

Senior Secured Notes for the Leveraged Buyout of the Cable Television Company Serving the City of East Cleveland, Ohio

The Undersigned Arranged for the Placement of These Notes.



Cable Investments, Inc.

8400 East Prentice Avenue, Suite 1115
Englewood, Colorado 80111
(303) 793-3344

Communications Equity Associates

System Location	Buyer	Seller	Basic Subs	Homes Passed
Port Richey & W. Pasco, FL	Gulfstream Cablevision of Pasco City	Store Communications	25,000	54,000
W. Pasco City, FL	Atlantic American Cablevision of Florida	Acton CATV Inc.	2,460	23,000
Leon County, FL	Group W Cable	Gateway Cablevision Corp.	2,000	4,900
Black River Falls, WI	Marquis Comm. Inc.	River County Cablevision Inc.	911	1,500
Woodfield, Ohio	Cable Systems USA Assoc.	Woodfield Cable Co.	2,100	2,300
King of Prussia, PA	Suburban Cable TV Co. Inc.	Central Bucks Cable Assoc.	9,000	19,000
Sublette, Safford, Plains, KS	Cable Systems Inc.	Sublette Community TV	144	144
Cameron, TX	Star Cable TV Inc.	Western Cable Inc.	1,932	1,500
Lee County, FL	Cablevision Industries	Wm. J. Comm. & Television Inc.	400	400
Chowchilla, CA	Northern Comm.	San Val Cablevision Inc.	2,925	5,685
Bonita/Vernon, CA	Free Group	Sanhandle Cablevision Inc.	100	1,250
Gaith, VA	Cable Interconnect Inc.	American Cablevision of VA	4,150	5,078
Rockledge, FL	American Cablevision	Rockledge Cable Inc.	25,400	59,200
Pennsylvania & Ohio	Cable Systems USA Assoc.	TCI Media of Andover & Andover	2,360	3,350
Phoenix, Mesa, Paradise Valley, AZ, Orange County, CA	Cable	Cable	205,300	445,200
Louisville, KY, Louisville, KY, Louisville, KY, Louisville, KY, Louisville, KY	United Cable	Hartford Cable	50,000	113,562
Wadsworth, Cleveland, OH	Wadsworth Cable	Cablevision Inc.	500	1,450
Shenandoah, VA	Shenandoah Cable	Shenandoah Cable	1,000	5,750
Long Beach, CA	Long Beach Cable	Long Beach Cablevision	16,000	155,000
Chesapeake, VA	Chesapeake Cable	Chesapeake Cable	2,100	2,400
Camden, NJ	Camden Cable	Camden Cable	1,000	1,400
Lafayette, MO	Cablevision Industries	Cablevision Industries	1,000	1,000
Mason County, VA	Cablevision Industries	Cablevision Industries	1,000	1,000
Tracy, CA	Tracy Cable	Tracy Cable	2,400	1,500
Coquille, OR	Coquille Cable	Coquille Cable	1,000	4,250
Boyd, KY	Boyd Cable	Boyd Cable	1,400	5,000
Corral, CA	Corral Cable	Corral Cable	2,000	1,000
Mechanicsburg, PA	Mechanicsburg Cable	Mechanicsburg Cable	11,000	21,100
Fairmont, WV	Fairmont Cable	Fairmont Cable	14,000	21,100
Williston, ND	Williston Cable	Williston Cable	1,000	1,000
Baker, OR	Baker Cable	Baker Cable	1,000	1,000
Ware Shoals, GA	Ware Shoals Cable	Ware Shoals Cable	1,000	1,000
Russellville, AR	Russellville Cable	Russellville Cable	2,400	1,000
Frankfort, KY	Frankfort Cable	Frankfort Cable	1,000	1,000
TN/WV/VA	TN/WV/VA Cable	TN/WV/VA Cable	1,000	1,000

Daniels Cable System

System Location	Buyer	Seller	Basic Subs	Homes Passed
Collinsville, CA	Collinsville Cable	Collinsville Cable	21,000	54,000
Union City, Savannah, MI	Union City Cable	Union City Cable	11,240	14,700
Lexington, Henderson, TN	Lexington Cable	Lexington Cable	14,000	14,000
Greensboro, PA	Greensboro Cable	Greensboro Cable	14,000	14,000
Hartwick, MD, McConnellsburg, PA	Hartwick Cable	Hartwick Cable	14,000	14,000
Smithburg, Harrisburg, PA, Rock, MA	Smithburg Cable	Smithburg Cable	14,000	14,000
Hidago, Westaco, La Jolla	Hidago Cable	Hidago Cable	14,000	14,000
Afton, Louisville, TX	Afton Cable	Afton Cable	14,000	14,000
Mayport Naval, FL	Mayport Cable	Mayport Cable	14,000	14,000

two areas of business. The number of subscribers involved in those transactions was 15,155.

Greene pleaded on behalf of other brokers his size that his company's activity should not be judged on the basis of its monetary value but on the number of transactions that were closed. He said as a broker to smaller cable system sales, he spends more time doing more work on the sales than a broker might spend on a larger deal. "I wish there were some way we could get some credit for doing these deals," he said.

Finally, 1985 saw the entry of Wall Street investment banking firms into the system sales and acquisitions market. Most significantly, Henry Ansbacher, a leading mergers and acquisitions firm specializing in media properties, put together its own cable brokerage unit. The company appointed Charles Martz, the former president of Jones Intercable's acquisitions group, to head the new cable unit.

The company closed one cable brokerage deal last year—Heritage Communications' acquisition of a 50 percent interest in Gill Industries. But, by the end of June 1986, according to Martz, the company anticipates it will have completed another \$200 million in cable deals, if that level of activity is maintained throughout the rest of the year, it will put Ansbacher in the big leagues with Daniels and CEA, all within its first two years of operation.

"It shows that there's plenty of room for competition," said Martz, noting that while the cable unit may be new to the business, Martz himself was involved in more than \$300-million worth of transactions for Jones in the eight years he was with Jones.

The reasons behind last year's record performances by cable brokers and, more fundamentally, the record market for cable system sales, are by now well known—low interest rates, the easy availability of financing and continued high demand for properties. The intense competition for systems led, naturally, to record high prices.

Prices steep

Both Greene and Hogue noted that price increases for intermediate to larger systems were particularly steep in 1985 compared to 1984 as the demand for these size systems increased and supply failed to keep up.

Greene postulated that, in general, over the past 18 months, multiples have risen about 10 percent from a range of



'In the nine years I've been in business, I've never seen this kind of interest.'

—Pat Thompson

seven to 10 times projected first year cash flow to eight to 11 times. "Cable systems are just like radio and TV stations," he said. "There's a limited supply," and the multiples reflect that fact.

On the other end of the scale, brokers said they believed prices for smaller facilities might have already plateaued.

Andy Eismann, senior vice president at Cable Investments Inc., noted that despite the extremely high prices for systems, "there seem to be a tremendous number of deals out there." However, this large demand may be leading some brokers into unscrupulous practices. Eismann contended that some are telling their clients their properties are worth tremendous amounts of money when no responsible buyer would be willing to pay that price.

Yet, Eismann admitted that even deals he would consider marginal are attracting a great deal of interest. One system in the South, for example, was priced at 12.5 times projected 1986 cash flow, which was projected to increase 50 percent over actual 1985 cash flow. While the pricing on the deal was extremely

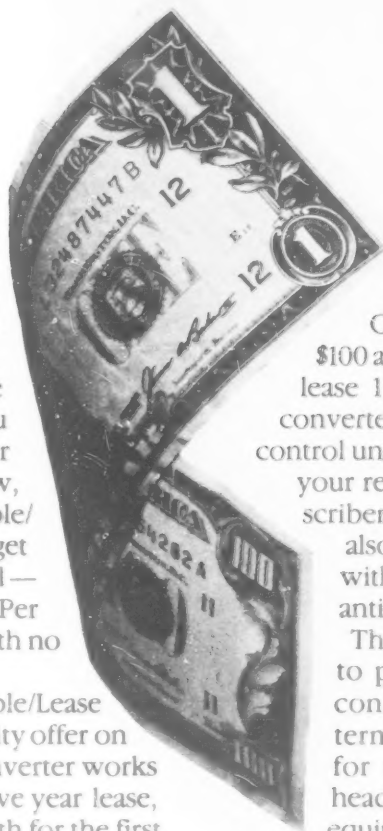
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Houston Lake, Liberty				
Mission Hill, Mission Wood				
N. Kansas City, Northmore				
Pleasant Val., MO				
Waukegan, Ill.	Community Cable	IL Cable Prop.	2,600	2,982
Ann Arbor, MI	Columbia Int.	Daniels-Sortyhe	16,000	42,000
Elisville, MS	Comcast	Dallev-Maher	1,600	2,445
Lyman, WY	Televents	Cablewest	4,000	4,250
Sandra, CA	Daniels	Viacom	7,900	11,200
Winsted, CT	N/A	J. Ducoi	3,900	5,400
7 States	Rifkin & Assoc.	Omni Cable	58,000	110,000
Dallas, TX	Heritage	Amex	80,830	365,000
Columbus, OH	Telemedia	W. Johnson	10,300	24,500
Whatcom-Whidbey, WA	TCI	McCaw	10,000	17,490
Hickok-APB, HI	Boulder Ridge	Clearview	1,400	3,100
Hartsville, Darlington, SC	Century Comm.	H. Campbell	6,050	7,500
Queens, NY	Pay TV of NY	Group W	23,402	N/A
Los Angeles, CA	Daniels & Assoc.	Acton Corp.	14,000	51,000
Brooklyn Park, MN	Hauser Comm.	Storer Comm.	32,000	70,000
Trinity, CA	Cox Cable	Trinity Systems	700	4,500
Mau, Hawaii Island, HI	McCaw Comm.	Mau Camp Cable	10,325	17,302
Tyler, TX	Northlands Comm.	MCT	3,100	5,636
Tyler, TX	Northlands Comm.	Trans Tex Video	4,000	7,574
Hawaii	McCaw Comm.	Group W Kaiser	7,472	8,226
Bernalillo, NM	Tribune	Mercury Telecom.	6,845	18,500
Chincoteague, VA	N/A	Greer (I)l	4,000	N/A
St. Louis, MO	Cencom	Group W	22,000	49,050
Palatka, FL	Cablevision Ind.	Southland	6,300	11,000
Tuskegee, AK	Sammons	Barry & Enright	2,198	3,600
Chicago, IL	N/A	Group W	9,707	N/A
Hinesville, GA	Daniels	Bryant	7,433	10,031
Austin, TX	ATC	Austin Satellite	3,000	12,100
Allegan, MI	Michigan Gas	G. Nichols	4,339	8,150
Various	R. Smith & Co.	Midland Cablevision	5,320	8,000
Portales, Liberal, Lovington	Century Comm.	Group W	21,000/27,074	
Silver City, Trinidad				
Tucuman, NM				
Atchison, KS	Leonard Comm.	CSI	2,170	4,375
Sullivan, NY	Simmons	Cable TV Sys.	2,900	4,000
Various	SSS	Dorote	12,000	14,000

Cable Investments Inc.

System Location	Buyer	Seller	Basic Subs	Homes Passed
Portland, TX	Countyside Cable	Prime Cable	3,100	4,571
Covington, Brownsville, Bolivar, TN	Enstar Comm.	TCI	3,204	7,941
MSO	Heritage Comm.	Diversified Comm.	40,000	58,000
Avis, PA	Gardner Comm.	Charles TV Cable	6,400	6,900
Lockney, TX	Cablevision of Texas	PANF Corp.	1,400	3,585
		Mid-Way Cable		
Mavaguez, Puerto Rico	Mavaguez Cable TV L.P.	Interamerican Comm. Corp.	0	24,000

Waller Capital Corporation

System Location	Buyer	Seller	Basic Subs	Homes Passed
Corbin, KY	High Industries	Southern Cable Corp.	5,400	6,500
Whitewright, Van Aistyne	Northland Cable	Video Vision Inc.	2,200	3,800
Savoy, Bells, Howe	Properties Four			
Tom Beam, & Trenton, TX	Limited Partnership			
Ottawa, Columbus	Center Cable Co.	Putnam TV Cable Inc.	2,500	2,600
Grove & Glandorf, OH	of OH			
Bowling Green, Ohio	Three Sixty Corp.	Wood Television Corp.	5,000	9,200
Elkins, WV	Cable Entertainment of	Tygart Valley Corp.	5,200	5,600
	West Virginia VII			
Staunton, VA	Multi-Channel TV Cable Co. of Mansfield	Staunton Video Corp.	9,500	10,000
Rainelle, WV	Consolidated Comm. Group Inc.	Rainelle Television	1,300	1,350
Sharon, PA	Century Comm. Corp.	Shenango Cable TV Inc. & Variety Cable TV Inc.	14,600	26,000
Lewiston, Lock Haven, Tyrone, PA	Susquehanna Broad. Co.	Cox Cable Comm. Inc.	15,900	16,800

"aggressive," at least six responsible buyers came in saying they could do the deal, said Eismann.

"I continue to see the same players; this is not the greater fool theory at work," he said. "These are knowledgeable people who feel they can look three to five years out" and see a reasonable rate of return on their investment.

The influx of buyers into the market has resulted in at least one trend viewed less than favorably by most cable brokers. That is, more and more buyers are engaging brokers' services. According to Greene, the company last year worked on more acquisitions than it had in any previous year and while none of the deals closed in 1985 were buyer-initiated, at least two such deals have closed already in 1986, and Greene is working on another five or six similar transactions.

Risky deals

Brokers note that such engagements are far more risky than working for sellers. For in working for sellers, brokers are guaranteed a reward if they do their job right and the system is sold. When buyers enlist the assistance of brokers, even if they do their job right, they are competing with other buyers and brokers on any single deal, and despite having spent a great deal of time working on a proposed transaction and putting together a good bid, they may lose the bid and any promise of remuneration.

Nevertheless, with more and more buyers in the field and with those individuals and their companies busy running their day-to-day operations, brokers are increasingly finding themselves in demand for acquisition-minded hunters.

The hot market in cable properties has also probably increased the number of transactions where sellers do not employ brokers. Daniels' executive Hogue noted the perception is there on the part of sellers that because the market is so active, there is no need for a broker. This perception is reinforced if the seller has been approached by interested buyers.

According to data compiled by Daniels & Associates, almost half of all the transactions completed in 1985 did not involve a broker. Hogue noted that the trend has held fairly steady for a number of years and that the data point to tremendous opportunities for brokers.

According to the data, which were gathered through industry sources and analyzed by Daniels staff assistant Mar-



'We had a number of good-sized transactions where we did the work in 1985 and will see the rewards in 1986.'

—Phil Hogue

ianne Powell, in systems of under 5,000 subscribers, 53 percent of all transactions were not brokered. In systems of 5,001 to 10,000 subscribers that percentage fell to 43 percent and held in that range for systems up to 50,000 subscribers. Beyond that level, only one of last year's major deals did not involve a broker—the KKR/Storer deal and, as Hogue noted, that transaction is considered a leveraged buyout of the company management and KKR.

Unbrokered sales

Hogue noted that unbrokered system sales were fairly evenly distributed among system sizes, although the smaller systems pulled a little more weight than the intermediate and larger systems. As a result, Hogue noted, Daniels has formed a small systems sales division with two people dedicated solely to serving the 2,000-subscriber-and-under cable system market.

On a regional basis, the Midwest and West may present the most opportunity

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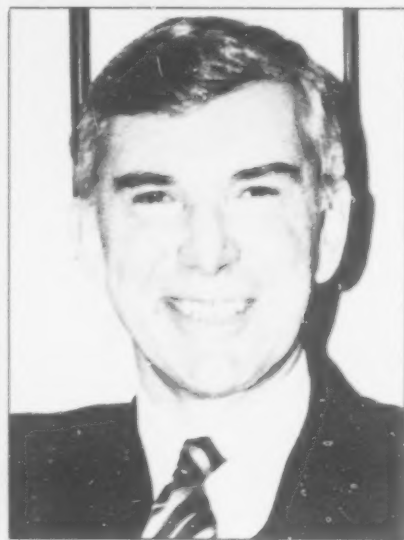
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'It shows that there's plenty of room for competition.'

—Charles Martz

for brokers, with 55 and 54 percent of all deals, respectively, not brokered in those areas. In the Northeast, that level fell to 46 percent, and in the Southeast 36 percent of all deals were unbrokered.

The number of unbrokered deals in the cable industry has historically been high, and in the last five years, in particular, the seller's market has reinforced this trend, said Charlie Greene. "Most people think, 'who needs a broker?'" in this environment, he said.

But Hogue and Greene argued the virtues of hiring a broker even in this hot market, noting that they bring interested parties to the seller who otherwise might not have been known about and thus enable the seller to maximize price.

While Greene said he believed the amount of unbrokered activity in the industry is similar to other industries, he predicted the percentage in cable is likely to "creep up" because of the large number of buyers out shopping for systems. "But, more buyers are then looking for brokers, and what brokers lose in representing sellers, they can make up in representing buyers," he said.

John Waller, president of Waller Capital, views those unbrokered deals as fertile ground for sowing the seeds of his assault on the "Big Two" cable brokerage houses. Waller estimated that last year's value of unbrokered deals reached \$1.5 billion out of the total \$6 billion to \$7 billion transactions market. "There's plenty of room for more brokered deals," said Waller. "It's not a factor of size, but a factor of brokers doing their homework and convincing people that their services are needed." Even if the market shrinks next year to

\$4 billion to \$6 billion, he said, "there's still room for us all" at the top.

As is the case with most brokers, Waller sees 1986 activity at least as strong as 1985, with records for him and many other brokerage companies likely. Not only will the intense level of activity in 1985 carry over into this year's closings, but the conditions that heated the 1985 market are still present and are projected to continue for at least the first six months of the year—continuing low interest rates, the easy availability of financing, and more buyers in the market than sellers.

However, several brokers predicted that the record high prices will shake loose an increasing number of systems, particularly from independent operators, and by the last quarter of the year, that influx of properties combined with expected upward pressure on interest rates could slow or halt the steep escalation in prices.

Bright future

On an individual basis, 1986 promises a bright future for many of the companies involved in the business. Waller said he has exclusive rights to sell \$80-million worth of properties already, plus he has another \$100 million under contract. "Nineteen eighty-six should be a \$150- to \$200-million year" for us, he said, noting he intends to add another two brokers to his staff this year.

Waller credits his success to being located in New York and his company's ability to plug itself into Wall Street financial circles.

As Ansbacher's success indicates,

brokerage companies are increasingly placing emphasis on their ability to provide financial services to their clients. Waller, CEA and Ansbacher all stress their investment banking activities, and Daniels is expected to make a major announcement along these lines over the next few weeks.

This trend is likely to pick up strength. Cable company stocks have experienced a runup in prices over the past year, making public financing an increasingly important component for the business. Again, companies with ties to the financial community on Wall Street will benefit the most from this development.

Daniels & Associates also reports that 1986 will be a record year, not only because of transactions begun in 1985—the Tribune/Jones deal and the International Cable/Adelphia deal—but also because its inventory of listing agreements or good prospects is "as strong as it has been in the last couple of years," showing in excess of 50 such listings going into 1986, said Hogue.

While no one is predicting another behemoth deal like Group W, most brokers see a continued stream of larger transactions onto the market. "The types of systems will be basically the same as in 1985," said CEA's Michaels, with one or two large deals, a few medium-sized transactions of 50,000 to 150,000 subscribers, and then a substantial amount of activity below that level.

Daniels' Hogue said his company "sees a fair amount of prospective activity in the several hundred million dollar range." While several brokers said they expected strong activity out of the top 100 MSOs, Michaels said he did not expect MSOs to be major sellers in 1986, with a few exceptions.

Big deals

Those companies most often talked about as the potentially big deals of 1986 or 1987 include Wometco and United Artists Communications. Brokers note that KKR informally put the Wometco systems, with their 308,000 subscribers, on the market about nine months ago. That was before the company did the Storer leveraged buyout, and, with the cross-ownership issues revised by the Storer acquisition, at least some of KKR's properties are likely to be sold off.

United Artists, with more than 711,000 subscribers, is another big sale possibility having bought out its partner



'I continue to see the same players; this is not the greater fool theory at work.'

—Andy Eismann

cash flow and growth prospects for those markets.

John Waller sees a slightly different scenario developing over the next year. While he does not believe the dollar volume will be as large in 1986 as it was in 1985, excluding the Group W deal, he sees more deals being done in the 10,000- to 50,000-subscriber range.

The factors behind this increased level of activity will be MSO spinoffs aimed at laying off debt taken on over the past year and an increasing number of properties from independent operators. "There are still a lot of them out there," said Waller. "I could retire just on that business alone."

As prices continue at their historic high levels, more independents are likely to move into the market to take advantage of this once-in-a-lifetime opportunity. Add in a fair number of maturing limited partnerships, and Waller said he foresees a time within the next six to nine months when the number of systems coming onto the market increases enough so that prices will "come into line" or at least "slow down in terms of their upward escalation." The next 18 months should be extremely active overall, he predicted, particularly "with money so cheap and so available."

Andy Eismann agreed with Waller that the number of properties coming on to the market in 1986 will continue unabated, with much of the activity comprised of medium and small system sales, including the spinoff of properties

from MSOs. The Cable Investments broker said he does not foresee another situation in 1986 where whole companies are sold off as Tribune and Capital Cities both did in 1985.

Eismann sees continued pressure on prices, noting that the drive by many cable executives to set off on their own will provide not only a new source of



'There's plenty of room for more brokered deals.'

—John Waller

buyers for the market, but buyers who are willing to pay top dollar in order to get into the game.

Charlie Greene, however, said he felt prices may be hitting a wall. "Markets tend to over-react" to circumstances, he said, noting that this market took off after the signing of the Cable Act in late 1984 and that that reaction is still being felt. But, while he noted that "we may have experienced a peak or spike in multiples," systems values will continue to rise as revenues and cash flows continue to grow.

D.C. franchise holder acquires \$45M financing

WASHINGTON—District Cablevision Limited Partnership, holder of the franchise to wire the nation's capital, told city officials last week that it has secured the \$45 million in financing necessary to begin building the cable system. Construction on the build will begin by June 1, with the first subscribers "online right after Labor Day," according to District Cablevision President Robert Johnson.

DCLP is a joint venture of Telecommunications Inc. and District Cablevision Inc., the original winner of the D.C. franchise. Under a modified franchise agreement which transfers the franchise to DCLP, TCI will control 75 percent of the venture, with DCI holding the remaining 25 percent. TCI has also agreed to provide the \$45 million in financing to begin the build with the assumption that early system revenues will finance the remainder of the build. Local DCI shareholders have contributed an additional \$1.8 million to the venture, Johnson said.

The D.C. city council, which ratified the modified franchise agreement last September, now must pass a resolution stating that DCLP has met the conditions of the modified franchise before construction can begin. That resolution, approved last week by the council's cable television committee, will be considered by the full council on April 15.

Under the agreement, TCI will handle management of the system. Gary Mizga, formerly with Rogers CableSystems in Minneapolis, will become system manager, Johnson said.

—John Wolfe

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1999E	161,000,000	81,783,000	50,200,000	31	102,000,000	63
1998E	152,800,000	79,100,000	48,250,000	32	93,850,000	62
1998E	151,000,000	75,833,000	45,500,000	30	79,600,000	52
1997E	89,000,000	7,017,000	31,973,000	36	26,022,000	30
1996E	87,800,000	6,822,000	30,500,000	35	24,300,000	28
1995	86,000,000	6,477,000	26,120,000	30	23,677,000	28
1994	84,000,000	5,989,000	22,694,000	27	19,266,000	23
1993	82,500,000	5,612,000	20,000,000	24	17,877,000	22
1992	80,800,000	49,000,000	28,200,000	35	15,800,000	19
1991	80,700,000	44,000,000	22,500,000	28	13,500,000	17
1990	77,000,000	37,000,000	18,672,000	24	12,328,000	16
1979	70,000,000	32,000,000	16,000,000	23	9,000,000	13
1978	70,000,000	27,000,000	14,250,000	20	8,000,000	11
1977	65,000,000	24,800,000	13,150,000	20	7,000,000	11
1976	61,114,000	23,000,000	12,000,000	19	6,000,000	10
1975	59,000,000	20,000,000	11,000,000	19	N/A	N/A

Cable barometer

Satellite lineup

Satcom III-R: RCA America.com

Satcom IV (KCS, Annapolis)

Westor III, Winters I 1995

Westar IV / Western Union

Westar V: Western Union

Galaxy I (H₂ lines)

Spacenet 1 (CIF)

Aurora F5: A 2000-watt

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- VIACOM CEO FLOATS PAY CHANNEL ADVERTISING CONCEPT
- SHOWTIME OFFERS MARKETING INCENTIVE TO DISH DEALERS
- ARTHUR LITTLE STUDY AUTHOR CASTS DOUBT ON PROJECTIONS
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CableVision

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Showtime The Movie Channel is offering financial rebates to TVRO dealers and cable operators for sales of M-A-COM decoders to backyard dish owners.

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TCI President John Malone and Ted Turner held their second round of discussions concerning how to create a cable industry flagship station.

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Officials are projecting that this year's

Wrestlemania II achieved a higher average PPV buy-rate than last year's event.

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Cable News Network will begin marketing a satellite news gathering system to its affiliates to help the channel increase its live news coverage capability.

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The cable industry's hesitation to effectively deal with the threat VCRs impose throws a shadow of doubt on optimistic predictions made by Arthur D. Little Co. last year, according to an industry strategist.

Not selling 18

Warner Cable has apparently shelved its plans to find a buyer for the company.

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In a guest column, Peter Shapiro, a cable marketing strategist, says the cable industry as a whole lacks a comprehensive approach to effectively deal with the threat posed by VCRs.

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MTV officials have hinted that the all-music channel may add a weekly movie to its schedule. Also in Programming, HBO has announced the production of two new pop-soul music specials that will air later this year.

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NYT Cable of Cherry Hill, N.J.

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Law and Regulation 33

New EEO rules call for an annual certification of cable operators by the FCC. Industry officials say effort and documentation are the keys to showing compliance. Also, regulators can still exert control over franchise renewal negotiations despite deregulation, NATOA panelists said.

Business 35

American Cablesystems Inc., one of the nation's fastest-growing privately held cable television companies, has filed for a public offering of debt and equity securities which could raise \$120 million.

Departments

People 40

Products 41

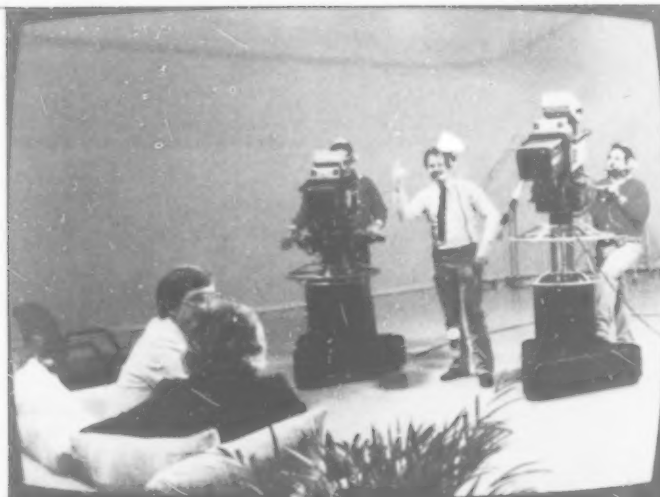
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Cable operators are finding that the expense incurred in building studios and production facilities gives them an opportunity to capitalize on the burgeoning local ad sales by producing commercials in-house. This week's cover photo shows Denver's Mile Hi Cablevision studio "A"—part of the company's production capability.

CABLE STATS

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next three months.

May

Movie/Event	Source
American Flyers (5/21) MPAA Rating: PG-13 Cast: Kevin Costner, Rae Dawn Chong, David O'Neil, Alexandra Paul Running Time: 114 mins	Warner Bros.
Better Off Dead (5/1) MPAA Rating: PG Cast: John Cusack, David Ogden Stiers, Diane Franklin, Kim Darby Running Time: 97 mins	Warner Bros.
Black Moon Rising (5/15) MPAA Rating: R Cast: Tommy Lee Jones, Robert Vaughn, Bilitia Smith Running Time: 100 mins	New World
Cocoon (5/1) MPAA Rating: PG-13 Cast: Don Ameche, Steve Guttenberg, Maxwell Smart, Terence Stamp Running Time: 117 mins	20th Century-Fox
Elvira (5/1) MPAA Rating: PG Cast: Kate Milligan, John Malkovich, Linda Hunt Running Time: 118 mins	Warner Bros.
Fever Pitch (5/1) MPAA Rating: R Cast: Ryan O'Neal, Catherine Hicks, Chad Everett Running Time: 95 mins	MGM/UA
The Goonies (5/14) MPAA Rating: PG Cast: Sean Astin, Josh Brolin, Jeff Cohen, Corey Feldman, Martha Plimpton, K. Hovav Running Time: 114 mins	Warner Bros.
To Live & Die in L.A. (5/1) MPAA Rating: R Cast: William Peterson, William Devane, John Pankow Running Time: 115 mins	MGM/UA
Macaroni (5/16) MPAA Rating: R Cast: Jack Lemmon, Marlene Morano Running Time: 91 mins	Paramount
Pinocchio (5/1) MPAA Rating: G Cast: Animated Running Time: 88 mins	Disney
Rainbow Brite And The Star Stealer (5/14) MPAA Rating: G Cast: Animated Running Time: 85 mins	Warner Bros.
Ricky IV (5/22) MPAA Rating: PG Cast: Sylvester Stallone, Tia Sorel, De'Von Harris, Carl Lumbly Running Time: 92 mins	United Artists
Sesame Street Presents: Follow That Bird (5/14) MPAA Rating: G Cast: Jim Henson, Sesame Street Muppets Running Time: 84 mins	Warner Bros.
Target (5/1) MPAA Rating: R Cast: Gene Hackman, Matt Dillon, George Hamilton, Joel Sussman Running Time: 116 mins	Warner Bros.
White Nights (5/1) MPAA Rating: PG-13 Cast: Mikhail Baryshnikov, Gregory Hines Running Time: 117 mins	Columbia

June

Movie/Event	Source
Beginner's Luck MPAA Rating: R	New World

Cast: Sam Rockwell, Riley Steiner, Kate Tallat Running Time: 85 mins	
House (6/15) MPAA Rating: R Cast: William Katt, George Wendt, Richard Mils, Kay Lenz Running Time: 93 mins	New World
James Joyce's Women (6/1) MPAA Rating: NR Cast: Fionnula Flanagan Running Time: 91 mins	Universal
Jewel of the Nile (6/12) MPAA Rating: PG Cast: Michael Douglas, Kathleen Turner, Danny DeVito Running Time: 105 mins	20th Century-Fox
Mishima: A Life In Four Chapters (6/18) MPAA Rating: R Cast: Ken Ogata, Kento Sawada, Masayuki Shimizu Running Time: 121 mins	Warner Bros.
Murphy's Romance (6/1) MPAA Rating: PG-13 Cast: James Garner, Sally Field Running Time: 107 mins	Columbia
Protector (6/11) MPAA Rating: R Cast: Jackie Chan, Danny Aiello, Ray Liotta, Victor Arnold Running Time: 95 mins	Warner Bros.
16 Days of Glory (6/5) MPAA Rating: G Cast: Various 1994 Olympic Athletes Running Time: 145 mins	Paramount
Strouganian (6/26) MPAA Rating: PG Cast: Josh Mostel, Nathan Chazanoff, Bob Odenkirk, Tim Allen Running Time: 83 mins	Paramount
That Was Then, This Is Now (6/26) MPAA Rating: R Cast: Emilio Estevez, Craig Sheffer, Kim Cattrall Running Time: 102 mins	Paramount
U2 Rattle and Bang (6/1) MPAA Rating: PG Cast: U2, Williams, Harris, Dean Cain Running Time: 94 mins	Universal

July

Movie/Event	Source
Brazil (7/1) MPAA Rating: R Cast: Jonathan Pryce, Robert De Niro, Katherine Hepburn Running Time: 115 mins	Universal
Clan Of The Cave Bear (7/1) MPAA Rating: R Cast: David Hasselhoff, David Hasselhoff, Milla Jovovich, Pamela Anderson Running Time: 100 mins	Warner Bros.
Enemy Mine (7/2) MPAA Rating: PG-13 Cast: Louis L'Amour, Jr., Thomas Quasthoff Running Time: 99 mins	20th Century-Fox
Iron Eagle MPAA Rating: PG-13 Cast: Jason Lamm, Jr., Jason Lamm Running Time: 95 mins	Fox Star
Mari MPAA Rating: PG-13 Cast: Scott Spaw, Jeff Daniels, Fred Thomson Running Time: 117 mins	MGM/UA

Note: Running times are approximate.
Film information provided by International Thomson & Co., Inc. for studios.

Franchising calendar

This chart examines the franchise status of communities since April 1986.

California

Cerritos—request for proposals issued.
Chino—award to Marsh Media.
Claremont—tentative agreements to award franchise to Navada Corp.
East Yolo—award to Sonic Cable 7-85 (10,000 homes).
La Puente—award to United Cable 11-28-84 (8,600 homes).
Los Altos—awarded to United Cable 12-84 (9,000 homes).
Palo Alto—awarded 10-7-85 to Cable Communications Cooperative of Palo Alto.
Rosemead—award to Falcon Communications 2-26-85 (14,000 homes).
South Monrovia—award to Falcon Communications 9-18-85 (5,400 homes).

Delaware

Wilmington—commission's recommendation under review by City Council.

District of Columbia

Washington, D.C.—award to District Cablevision 7-10-84 (24,000 homes).

Illinois

Chicago—Area I award to Communications and Cable (600,000 homes).
Countryside—award to Cablevision of Chicago 6-13-84 (2,200 homes).
Elmwood Park—award to Continental Cable 12-17-84 (9,500 homes).
Naperville—award to Rite Cable Co. of Illinois Limited. Rite Cable of Illinois also awarded unincorporated areas of DuPage County (17,500 homes).
St. Charles, Geneva—award to Centel 7-2-84 (10,000 homes).
Wheaton—award to Centel 7-2-84 (16,000 homes).
Winnetka—survey showed interest in cable (insufficient to warrant franchise).
Woodbridge—terminated franchising process (200 homes).

Kentucky

Fulton—award to TCI 12-13-84 (2,400 homes).
Loretto—terminated franchise process.
New Haven—award to First PTC.

Maryland

Baltimore—award to United Cable 12-19-84 (102,000 homes).

Missouri

St. Louis—award to STL Cablevision Partners Inc. (75% of city) and St. Louis City Communications (25% of city) 4-11-84 (178,000 homes).

New York

Mt. Upton—terminated franchise process.
North Salem—award to Community Cable Services 12-84 (1,100 homes).
Portland—cable committee formed to begin franchise process. Tribune Cable, Harborview and U.S. Cable sent letters expressing interest (150 homes).

North Carolina

Davie County—award to Summit Cable.
Jackson—award to Cable East (400 homes).

Ohio

Avon—award to Space Cable of Ohio 4-84 (2,000 homes).
Cleveland—franchise awarded to Northcoast Cable 7-85.
Oberlin—preliminary award to Oberlin Cable Co-op 6-6-84 (2,600 homes).

Oregon

Dunthorpe—no response to RFP.
Sylvan—awaiting additional legal opinions.

Pennsylvania

Philadelphia—city is divided into four areas. Area I award to Greater Philadelphia Cablevision. Area II award to Wade Communications. Area III award to Rollins. Area IV award to Comcast 11-84 (each area: 155,000 homes).

Rhode Island

Naval Education and Training Center—accepting proposals (2,900 homes).
Newport (Area 7 includes Middletown, Portsmouth, Tiverton, Little Compton)—Bellevue Cablevision Inc. awarded franchise (29,500 homes).

Virginia

Manassas—negotiating with Cablevision of Manassas.

Washington

Battle Ground—new ordinance drafted. Soliciting interest from operators.
Seattle—city is divided into four parts. Group W, Viacom and Seattle Community Cablevision serve overlapping sections of three parts; part IV is beginning franchising process.

Source: International Thomson Communications Inc.

Franchising in the top 50 markets

Rank	Market	Status of core city	Rank	Market	Status of core city	Rank	Market	Status of core city
1	New York	Municipal—2 OF under franchise (7-84)	32	Indianapolis	Two systems OP	46	Charleston	Two systems OP
2	Los Angeles	City is divided into 4 areas (A, B, C, D) OP, 10-85	33	Portland	Three systems OP	47	Huntington	Two systems OP
3	Chicago	City is divided into 4 areas (A, B, C, D) OP, 10-85	34	Phoenix	Three systems OP	48	Northampton	Four systems OP
4	Philadelphia	City is divided into 4 areas (A, B, C, D) OP, 10-85	35	Hartford	Two systems OP	49	New York (Hempstead)	Four systems OP
5	San Francisco	OP systems in operation	36	New Haven	OP	50	Portland (Maine)	Four systems OP
6	Boston	OP	37	Cincinnati	OP	51	San Diego	Two systems OP
7	Detroit	OP	38	San Diego	OP	52	Worcester	OP
8	Washington, D.C.	OP	39	Albuquerque	OP	53	Scranton	Two systems OP
9	Cleveland	OP	40	Spokane	OP	54	Albany-Schenectady	Three systems OP
10	Dallas-Ft. Worth	Two systems OP	41	Portland	OP			
11	Phoenix	Two systems OP	42	Providence	OP			
12	Pittsburgh	OP	43	New Orleans	OP			
13	Memphis	OP	44	San Antonio	OP			
14	Seattle-Tacoma	City is divided into 4 areas (A, B, C, D) OP, 10-85	45	San Antonio	OP			
15	San Antonio	OP						
16	San Jose	OP						
17	Tampa-St. Petersburg	OP						
18	San Jose	OP						
19	Dallas	OP						
20	San Jose	OP						
21	San Jose	OP						

Legend

OP — operations
LIC — under construction
P.C. — franchise granted
P.R. — franchise pending
PS — proposal submitted
RP — request for proposals issued
RFP — request for proposals pending
MC — considering municipal partnership
GP — beginning process

Source: International Thomson Communications Inc.

APRIL 21, 1986

C472R-2

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

NEW BASIC NETWORK CONCEPT GAINING MOMENTUM

INDUSTRY PAY SALES REMAIN SLUGGISH IN FIRST QUARTER

DANIELS FORMS FINANCE VENTURE WITH SALOMON BROS.

MARKETING ADVANTAGE SEEN IN USING BILLING DATA

MESSAGE FOR BROADCAST LEGIONS: NAB REPORT FINDS CABLE GAINING

CV 000260827 01
EDITOR ACQUISITIONS SRI
4520 EAST WEST HWY
BETHESDA MD

20814



CableVision

LEADING THE WEEK

Flagship channel pushed 11

ATC Chairman Trygve Myhren and USA Network President Kay Koplovitz added their voices to the call for a flagship basic cable service featuring "broadcast network quality" programming.

Customer satisfaction key 11

In a speech to the Washington Cable Club, Trygve Myhren, newly elected chairman of the NCTA, said improvement of customer satisfaction remains the key issue currently facing the cable industry.

Pay sales down 12

Cable industry officials are reporting that pay unit sales experienced a poor showing in the first quarter of 1986, despite evidence of a rebound in March.

Sanctions recommended 14

Shifting its focus from a federal indecency statute aimed at cable, the staff of the U.S. Attorney General's

Commission on Pornography is now recommending "appropriate sanctions" be imposed by the FCC.

Losses reported 16

According to a report released annually by the city, Cablevision of Boston lost subscribers and money during 1985. The company, however, says both have increased during the first quarter of 1986.

Decoder legislation 17

Kentucky Sen. Wendell Ford introduced legislation that would require the FCC to establish a scrambling standard for satellite-delivered programming and regulate the price of TVRO decoders.

Scrambling inquiries 18

Showtime The Movie Channel has begun taking telephone inquiries from TVRO owners who want to purchase the services, which will begin full-time scrambling May 27.

Financial powerhouse 18

Daniels and Associates, Denver's cable management and brokerage firm, has joined Wall Street's Salomon Brothers to provide investment banking services to the cable and communication industries.

Sale granted 19

Despite objections voiced by the backyard dish industry, the FCC has approved Viacom International's purchase of KMOX-TV in St. Louis for \$122.5 million from CBS Inc.

Ratification eyed 20

Key Congressional members told broadcasters that, should the FCC fail to accept the pending must-carry compromise, Congress would likely ratify the pact.

Comband push 20

Faced with little industry demand for the Comband system, GE has stepped up its efforts to market the product to multipoint distribution services and instructional television operators.

TOPICS

Programming 21

Change appears to be in the works for VH-1 as Vice President Kevin Metheny and the middle-of-the-road music video channel have parted ways.

Media Watch 22

A study commissioned by the National Association of Broadcasters predicts that the broadcast network affiliates' share of viewership will continue to erode through the decade while basic cable viewership climbs.

Marketing 23

As cable marketing executives begin to focus on the type of information

they need to carry out their promotional billing campaigns, one suggestion is to use a data base.

International 28

Cable-King's new third Mac II board cutting the short part of time installation and setup. Chromatography profiles, says a new European TV network cable and jump into the 1986 market.

Business 30

Continental Cablevision has agreed to purchase four stations from McClatchy Newspapers for about \$100 million, or \$1,500 per subscriber.

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Cover story

National Association of Broadcasters convention attendees were given a generally rosy forecast for the future during the show in Dallas last week. An NAB-commissioned study, however, also pointed out that network affiliates' viewership shares will continue to erode throughout the decade while basic cable's share will steadily climb from current levels.

Europe will skip cable for DBS, analyst says

NEW YORK—European television will skip the cable phase altogether and leap into DBS because of the slow or nonexistent pace at which cable plants have been installed and the unique demographics of the continent in comparison to the U.S., First Boston Broadcasting and Cable Analyst Richard MacDonald told *CableVision* last week.

MacDonald made his remarks in the context of a report he issued outlining investment opportunities available as a result of the breakup of Western European state monopoly control of television.

Cable reaches just seven percent of the television households in Europe (see chart), compared to almost 42 percent of television households in the U.S. While pay and ad-supported cable are valuable, "this is nothing compared to what will happen when high-powered direct broadcast satellites, launched in 1987, are receivable by a 5200-8100-dish," MacDonald writes in his report.

MacDonald indicated that problems which have confronted cable in the U.S. are exacerbated in the European market with its high concentration of dwellings and the potential underground wiring problems associated

with areas of historic significance. "Think of the problems created by bumping into Roman ruins," he says. Moreover, the concentration of multiple dwelling units is high in Europe, and MacDonald postulates that theft-of-service problems could be monumental. "DBS is a big problem solver," he concludes.

New technologies are already changing the face of European television. "Satellite signals know no borders, thus controlling broadcast signals becomes impossible," notes MacDonald. Moreover, the European Economic Community's attempts to deal with this new technological age is causing European governments to rethink their broadcasting policies from every dimension. In the process, they are trying to leapfrog problems, thereby causing a breakdown in their control.

While MacDonald says the television environment in Europe will never be as "free" as in the U.S., he foresees a situation with renewed state broadcasting corporations competing against aggressive new commercial stations and both vying against new technologies.

What will fuel this renewal and launch new stations is an increased amount of advertising spending, the



Richard MacDonald

result of the breakup of state control.

This will translate into high demand for U.S. programming initially, but eventually a pan-European production industry will develop. Major players are expected to include West German publishers Axel Springer and Buttenman, Swedish satellite program developer Esselte, and News International. Rupert Murdoch's company, owner of a majority interest in Sky Channel, Sky Channel, with its mix of English-language sitcoms, music videos, sports and movies, attracts more viewers than any other satellite-delivered service in Europe, except for viewers in West Germany. The channel is not a money-maker for Murdoch, however.

—Virginia Munger Kahn

CABLE, MATV AND SKYCHANNEL PENETRATION

Country	Total households	% of homes reached by cable	Number of homes reached by cable	% of homes reached by MATV	Number of homes reached by MATV	% of homes reached by Skychannel	Number of homes reached by Skychannel
Austria	2,167,100	40%	866,840	4.0%	86,684	7.3%	200,791
Belgium	2,000,000	41%	820,000	—	—	11.1%	100,000
Britain	21,029,000	6.0%	1,261,740	—	1,091,400	9.4%	135,815
Denmark	1,120,000	20%	224,000	—	—	20.0%	543
Finland	2,181,800	6.0%	130,908	18.0%	152,604	9.4%	156,088
France	20,120,000	—	—	—	—	—	—
Germany	25,236,000	4.0%	1,009,440	27.0%	11,612,640	9.7%	779,563
Greece	2,900,000	—	—	—	—	—	—
Ireland	897,000	28.2%	253,000	—	—	—	—
Italy	15,000,000	—	—	—	—	—	—
Luxembourg	1,400,000	—	—	—	—	0.0%	3,765
Netherlands	2,110,000	—	—	—	—	—	—
Norway	1,555,000	14.0%	217,700	28.0%	100,400	6.4%	128,725
Portugal	2,100,000	—	—	—	—	—	—
Spain	11,453,000	—	—	—	6,240,800	—	—
Sweden	1,100,000	—	—	—	600,000	—	—
Switzerland	2,424,000	27.0%	654,480	12.0%	78,538	29.5%	693,884
Europe	125,475,000	—	—	—	—	—	—

Film product comparison—May

Film	Pay Networks	Distributor	Film	Pay Networks	Distributor
The Adventures of Buckaroo Bonzai	HBO* (ST) HTN	20th Century-Fox	Gimme An "F" Girl/Friends	ST HTN (MAX)	20th Century-Fox
Age of Consent	MAX	Columbia	Give My Regards To Broad St.	TMC	Warner Bros.
Alamo Bay	HBO	Tri-Star	The Gold Rush	(HBO) TMC	20th Century-Fox
All of Me	ST (TMC) (HTN) (MAX)	Universal	Goodbye Girl, The	(HBO) (ST) (TMC) HTN* MAX*	MGM UA
Amadeus	ST (TMC)	Paramount	Guts	HBO ST TMC HTN	Universal
The Ambassador	HBO	Cannon	Grace Quigley	HBO	Cannon
Amityville: The Demon Angel	HBO	New World	The Great Bank Hoax	HTN	Warner Bros.
Arrangement, The	TMC*	Warner Bros.	The Great Dictator, The	HTN MAX	20th Century-Fox
As Summers Die	HBO	Telepictures	In The World	ST	Cinema Signal
Avatar: The	(HBO) HTN	MGM UA	Greyhound	(HBO)* (ST) (HTN) (MAX)	Warner Bros.
Baby Blue Marine	HBO	Columbia	Gymkata	HBO	MGM UA
Bachelor Party	HBO	Warner Bros.	Happy Years, The	MAX	MGM UA
Back in the U.S.A.	TMC	Film Gallery	Hardcore	(HBO)*	Columbia
Barry Lyndon	(TMC)	Warner Bros.	Hard To Hold	(HBO) (ST) TMC HTN*	Universal
Beach Girls, The	ST (TMC)	Crown	Heartbreakers	(HBO)	Orion
The Beastmaster, The	ST	MGM UA	Heartland	TMC	Goldwyn
The Best Street	HBO	20th Century-Fox	Heavenly Bodies	HBO	MGM UA
Bells Are Ringing	ST	MGM UA	Hey Babe!	TMC	Carolee
Beyond The Forest	(ST) TMC	MGM	Highest Honor, The	MAX	New World
Big Heat, The	MAX	Columbia	Home From The Hill	(HBO)	MGM UA
Bill Cosby "Himself"	(HBO) ST*	20th Century-Fox	Honey	ST*	Italoons
Bill of Divorcement	HTN	ABC Video	Hot Dog, The Movie	(HBO) ST (TMC)	MGM UA
Bitter Harvest	MAX	Viacom	Ice Man	(HBO) (TMC) HTN*	Universal
Blazing Saddles	ST	Warner Bros.	Ice Pirates, The	HBO ST (TMC) (MAX)	MGM UA
Blind Date	TMC	Weston	The Incredible Shrinking Woman	ST*	Universal
Blind Rage	MAX	Cannon	Indiscretion of An American Wife	HTN	ABC Video
Blood Brothers	TMC*	Warner Bros.	Innocents Abroad	ST	Transcon
Blue Skies Again	(HBO) (HTN) (MAX)	Warner Bros.	Interrupted Melody	MAX	MGM UA
Boat, The	MAX	Columbia	Irreconcilable Differences	(HBO) (ST) (TMC) HTN* (MAX)	Warner Bros.
Robbie Dierfield	(HBO) (MAX)	Warner Bros.	It All Came True	ST	MGM UA
Bojars	MAX	Cannon	I Think A Fool	ST	MGM UA
Border, The	MAX	Universal	Joy of Sex	(ST) TMC	Paramount
Breach of Contract	TMC	Atlantic TV	Julius Caesar	TMC	MGM UA
Brewster's Millions	HBO ST TMC HTN	Universal	Just One Of The Guys	MAX	Columbia
Buddy System, The	HBO (TMC)	20th Century-Fox	Just Tell Me What You Want	(HBO)* (ST) TMC (HTN)	Warner Bros.
Bustin' Loose	HBO (ST)	Universal	Just The Way You Are	(HBO) (ST) TMC	MGM UA
Cannery Row	MAX	MGM UA	Kaleidoscope	(HBO) (ST) HTN	20th Century-Fox
Cannonball Run, The	(HBO) (ST) TMC	Galaxy Films	Kidoo	(HBO) (ST) TMC*	Crown
Catered Affair, The	(ST) TMC	MGM	King David	(ST) TMC	Paramount
Catherine & Co.	(MAX)	Film Gallery	King of the Jungle (1933)	(HTN)	Universal
Chained Heat	ST	The Movie Store	Lady Hawke	HBO ST TMC	Warner Bros.
City Heat	ST*	Warner Bros.	Leave 'Em Laughing	TMC	Viacom
City Lights	(ST) (HTN) (MAX)	20th Century-Fox	Little Drummer Girl, The	TMC*	Warner Bros.
Cloak & Dagger	(ST) HTN* (MAX)	MGM UA	Little Foxes, The	TMC	Goldwyn
Conan the Destroyer	ST*	Universal			
Confessions of a Pop Performer	MAX	Columbia			
Cops and Other Lovers	MAX	Cinema Signal			
Cotton Club, The	(HBO) (ST) TMC*	MAX*			
Countries	HBO* ST	(HTN) (MAX)			
D.A.R.Y.L.	TMC	Paramount			
Days of Heaven	TMC	Paramount			
Devil and Daniel Webster, The	TMC*	New Century			
The Divine Symp. The	ST*	Muller Media			
The Doctor Takes A Wife	MAX	Columbia			
Door To Door	HBO	Castle Hill			
Double Man, The	TMC	Warner Bros.			
Dreamscape	(HBO) HTN (MAX)	20th Century-Fox			
Dune	ST*	Universal			
Electric Dreams	(ST) TMC HTN*	MAX			
Elusive Pimpernel, The	TMC	MGM UA			
The Empire Strikes Back	(HBO) (ST) (TMC) MAX*	New Century			
Endgame	TMC*	Lucasfilm			
Enforcer, The	ST	Mill Media			
Eraserhead	TMC*	Warner Bros.			
Experience Preferred But Not Essential	MAX	Alm Pictures			
Exposed	(HBO) TMC	S. Goldwyn			
Fandango	(HBO) ST (TMC)	MGM UA			
Fastest Gun Alive, The	MAX	Warner Bros.			
Father of the Bride	(MAX)	MGM UA			
Finian's Rainbow	(TMC) (HTN) MAX	MGM UA			
Fire In The Stone	ST	Warner Bros.			
F.I.S.T.	ST (HTN) (MAX)	Tulchin Films			
Flamingo Kid, The	(HBO) (ST) (TMC) HTN	MGM UA			
Fort Apache	MAX	20th Century-Fox			
For The First Time	ST	RKO Pictures			
Four Seasons	(ST) (TMC) HTN	MGM UA			
The French Lieutenant's Woman	(ST) (TMC)	Universal			
Friday the 13th	MAX	MGM UA			
A New Beginning	ST* (TMC)	Paramount			
Garbo Talks	ST*	MGM UA			
Ghostbusters	HBO	(MAX)			
Ghoulies	HBO	Columbia			
		Vestron			



Mary Steenburgen stars in 'Romantic Comedy.'

Film Pay Networks Distributor

Little Prince, The	(HBO)	ST	TMC		Paramount
Losin' It				MAX	Embassy
Madwoman of Chalfont			TMC*	(MAX)	Warner Bros.
Mae West	(HBO)	(ST)			King Features
Making the Grade			TMC*	(MAX)	MGM U.A.
Mass Appeal	(HBO)	ST*	(TMC)	(HTN)	Universal
Massive Retaliation	(HBO)				Massive
Mick and Maude	(HBO)			MAX	Columbia
Midnight Madness	(HBO)*	(ST)		(HTN)*	Disney
Missionary, The	(HBO)				Columbia
Model Behavior				MAX	HuTel
Modern Times				MAX	20th Century-Fox
Money On The Side				MAX	Columbia
Monsieur Verdoux				MAX	20th Century-Fox
Mother Were Tights				MAX	20th Century-Fox
My New Partner				MAX	Orion
9 to 5		ST	(TMC)	(HTN)	MAX*
Naked Face, The	(HBO)	(ST)		MAX	20th Century-Fox
Nancy Goes To Rio		ST			Cannon
Natural, The	(HBO)			(MAX)	MGM U.A.
Never Let Me Go			TMC*		Tri-Star
Never To Love				(HTN)	MGM U.A.
Nickel Mountain	(HBO)				ABC Video
Night of the					Ziv Int'l
Shooting Stars, The			TMC		Warner Bros.
Oh, God! You Devil!	(HBO)	(ST)	(TMC)	(HTN)*	Warner Bros.
Old Maid, The		(ST)	(TMC)		MGM
Once Upon A Time					
In America	(HBO)			MAX*	Warner Bros.
Our Very Own		ST			Guldbeyn Classics
Outrage, The		ST			MGM U.A.
Outrageous			TMC		Guldbeyn
Oxford Blues	(HBO)		(TMC)	(HTN)*	MGM U.A.
Painted Hills, The		ST			MGM U.A.
Paris, Texas			TMC*		20th Century-Fox
Pearls of					
Gwendolyn, The	(HBO)	ST		MAX	Guldbeyn
Phar Lap	(HBO)	(ST)		(HTN)	20th Century-Fox
Pilot, The	(HBO)				PrimeTime
Places In The Heart	(HBO)			MAX	Tri-Star
Popeye			TMC		Paramount
Pope of Greenwich					
Village, The				MAX	MGM U.A.
Power and the					
Prize, The		ST			MGM U.A.
Prime Risk					MAX
Private Resort				(HTN)	MAX
Protocol	(HBO)	(ST)	(TMC)	(HTN)*	Warner Bros.
Purple Rain			TMC*		Warner Bros.
Pursuit of D.B. Cooper			TMC*		King Features
Rachel, Rachel			TMC		Warner Bros.
Racing with the Moon		ST			Paramount
Raintree Country	(HBO)				MGM U.A.
Rankings Game, The		ST*			Imagination
Reckless	(HBO)		TMC	(MAX)	MGM U.A.
Reno and the Doc	(HBO)				ACM Television
Raw Courage			TMC		NW
Repo Man	(HBO)	(ST)	TMC	(MAX)	Universal
Rhinestone	(HBO)	(ST)		(HTN)	MAX
Return of the					20th Century-Fox
Tall Blond Man with					
One Black Shoe			TMC		Brynmor
Richard Pryor					Columbia
Here and Now	(HBO)				Columbia
Richard Pryor					Gary Miller
Live In Concert	(HBO)	(ST)			Gary Miller
Richard Pryor: Live on					Columbia
the Sunset Strip	(HBO)*				Karpi
Right Of Way	(HBO)				MGM U.A.
Rock and Rule			TMC		MGM U.A.
Rocky	(HBO)	(ST)	(TMC)	(HTN)	(MAX)
Romantic Comedy		(ST)	(TMC)		(MAX)
Running Brave	(HBO)	(ST)		(HTN)*	Buena Vista
Rubber Tarzan		ST			James Films
Ruby Gentry				(HTN)	ABC Video
Rustler's Rhapsody		ST*			Paramount
Sacred Ground			TMC*		Paramount
Savannah Smiles	(HBO)		(TMC)		Pacific Int'l
Screwballs				MAX	Embassy
Sea Gull, The				(HTN)	New Horizons
Secret Honor					Warner Bros.
Seduction, The	(HBO)		TMC		Cinecom
She					Embassy
Sheena				MAX*	Mulder Media
Shogun Ninja		ST			Columbia
Shootin' Party, The			TMC		Mulder Media
Silent Madness					Warner Bros.
Silent Rage	(HBO)				Alm Pictures
Sixteen Candles	(HBO)	ST*		(HTN)	(MAX)
Sky High	(HBO)				Columbia
Soldier of Orange			TMC		Universal
A Soldier's Story	(HBO)				Omiga
Some Kind of Hero					Guldbeyn
					Columbia
					Paramount



'Ghostbusters' starring Dan Akroyd, Bill Murray and Harold Ramis makes it's pay TV debut this May.

Film Pay Networks Distributor

Something Wicked	(HBO)	(ST)	(TMC)	(HTN)*		Disney
This Way Comes					MAX	20th Century-Fox
Son to Fury						UFA
Souder			TMC*			The Movie Store
Stranger's Kiss			(TMC)	(HTN)	MAX	Universal
Streets of Fire						Viacom
Stuntwoman			TMC			Viacom
Sure Thing, The	(HBO)	ST			(MAX)	Low Grade
10 to Midnight	(HBO)					Viacom
Talk to Me	(HBO)		TMC			Atlantic TV
Tarzan, The Ape Man		ST				MGM U.A.
39 Steps, The			TMC			New Century
Teachers	(HBO)	(ST)			(MAX)	MGM U.A.
Tender Trap, The					MAX	MGM U.A.
Terminator, The	(HBO)				(MAX)	Hemdale
Testament	(HBO)	(ST)		(HTN)		Paramount
That's Dancin'	(HBO)			(HTN)		MGM U.A.
They're Playing						
With Fire			TMC			New World
This Is Spinal Tap					MAX	Embassy
Thelma & Louise		(ST)	TMC*			Paramount
To All A Good Night		ST				Intercontinental
Topaze				(HTN)		ABC Video
To Have The Wind	(HBO)					Viacom
Torch Song					MAX	MGM U.A.
Under the Volcano	(HBO)	(ST)				Universal
Unfaithfully Yours		(ST)	TMC		(MAX)	20th Century-Fox
Victor/Victoria					MAX	MGM U.A.
Videodrome	(HBO)	ST				Universal
Walk Proud	(HBO)			(HTN)		Universal
Weekender, The		ST			(MAX)	Guldbeyn Classics
Whirlpool	(HBO)*					WW
White Mama						Entertainment
Whole Tower's Talking, The			TMC			Viacom
Whirl II Stop					MAX	Columbia
The Run			TMC		(MAX)	Warner Bros.
Woman of Paris				(HTN)		ABC Video
Wonder Man			TMC		(MAX)	Guldbeyn
Yellow Hair And The						Crown
Fortress Of Gold			TMC			Film Gallery
Young Lady Chatterley					MAX	

Cable Network Legend:
HBO Home Box Office
ST Showtime
TMC The Movie Channel
HTN Home Theater Network
MAX Cinemax

■ Networks in parentheses indicate carriage in December, January, February, March and/or April.

■ An asterisk indicates the film is a carry-over from December, January, February, March and/or April.

■ In total, 248 films appear on the April schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, 8 films have played on all five services, 16 films have played on four of the five services, 32 films have played on three services and 60 films on two of the five services. One hundred and thirty-two titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay-TV this month is MGM U.A. with 47, followed by Warner Bros. with 30, 20th Century-Fox with 27, and Columbia and Universal with 18 each.

CableVision

THE NEWS AND FEATURES WEEKLY OF THE CABLE TELEVISION INDUSTRY

SHOWTIME IN MAJOR EXCLUSIVITY DEAL WITH TOUCHSTONE
CABLE RIGHTS GROUP ATTACKS LEASED CHANNEL REGULATIONS
CATA LESS THAN LUKEWARM IN FILING ON MUST-CARRY PACT
STUDIOS SYMPATHETIC TO EARLIER PPV WINDOWS

THE CABLE AD BUY: DOES IT MEASURE UP?

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CableVision

LEADING THE WEEK

Touchstone exclusive 11

Showtime/TMC has its third exclusive studio rights deal in the past five weeks, this time with Touchstone Films, the features branch of Walt Disney Studios.

Task force 11

The National Academy of Cable Programming has created a task force consisting of some of the industry's most influential leaders to help heighten the awareness of the medium's quality programming.

First amendment rights 12

A study by the American Cable Publishers Institute claims leased access channel requirements violate cable publishers' First Amendment rights.

Comments filed 12

The level of support for the must-carry compromise ranged from "unequivocal" to "dubious" according to comments filed with the FCC. The

commission must now decide whether or not to accept the agreement.

CAB preview 14

CAB conference attendees are likely to hear about the need for more sophisticated research and marketing techniques in order for operators and networks to get a larger piece of the ad billing pie.

Reassignment considered 15

Media General Cable told Fairfax County officials it is considering assigning the franchise for Reston, Va. to Warner Cable Communications because of concerns over the viability of operating two systems in the same city.

Valenti, Turner speak out 16

Jack Valenti once again called for legislation that would limit the size of MSOs during a joint appearance with Ted Turner last week.

FNN profitable 16

FNN chairman Earl Brian told the New York Television Academy that his company has been profitable for the past five quarters and is holding its own in the ratings measurements.

Triple Hitter 17

Viewers Choice will offer its carriage of a three-bout boxing event to non-affiliate addressable homes, boosting the potential viewership from one million to more than 3 million.

COST revamped 20

The Coalition Opposing Signal Theft is going to be revamped by the Motion Picture Association of America and the National Cable Television Association in a joint effort to expand the fight against theft of cable service.

Experiment works 20

Cinemax's *Comedy Experiment*, a forum for humor and social satire, will continue through the year under a renewal agreement finalized last week.

TOPICS

Programming 21

Cable operators are unhappy about a basic network policy that allows the sale of large blocks of time to sponsors. Networks call them "sponsorship sales" while operators characterize them as long-form advertisements.

On Demand 28

PPV services and studios generally agree that once a substantial addressable universe is developed, feature films will be released to PPV providers prior to the time they are released for home video.

Satellite Direct 24

Legal uncertainties surrounding a

provision of the 1976 Copyright Act are leading some congressmen to introduce legislation that would allow common carriers to sell scrambled broadcast signals directly to the backyard dish market.

Business 36

Two New York banks are leading a consortium of financial institutions in arranging \$1.75 billion in financing for the acquisition of Group W by five MSOs in the event Group W is kept together as a single entity. Also in business, the FCC has ruled that Louisiana is no longer certified to regulate cable pole rates.

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Cable networks face major dilemmas in signing national advertisers because of the slow growth rate of cable's audience and problems revolving around the accuracy of the various forms of audience measurement. New technology in those areas may help overcome those problems.

Confusion over growth and ratings puts undeserved cap on cable ad potential

By Simon Applebaum

Cable networks in search of national advertising support are up against a new dilemma.

Five years ago, in the nascent stages of basic cable network development, the longed-for goal was to win Madison Avenue acceptance of basic cable as a fixture in the advertising mix. In those days the cable nets were in the uncertain position of "experimental" buys, forced to take their ad revenues as they came in dribs and drabs from interested agencies and advertisers who wanted to try out the new medium.

Then came years of struggle against weak and unreliable ratings reports, with the networks' message aimed at convincing their potential advertisers that the better targeted, upscale audiences they appeal to must be weighted accordingly in the ratings game.

Today, much of what the networks fought for they have won, with the result that they have become a fixture in the advertising mix of major and lesser advertisers. But they are a fixture at an ancillary level, and their current viewer growth rates aren't supplying the dynamic numbers that could break them out of the secondary niche they're in. And adding to the problem is the perception in some quarters, fostered by some sloppy media reporting, that growth among a majority of basic networks is at best nil and in many cases negative.

But for anyone willing to look hard at the facts, the picture is clear. While dramatic surges in viewership are not common to the established cable nets at this point, they are enjoying a gradual growth overall with occasional spectacular showings in individual day parts and for particular programs. Moreover, the cable universe continues to expand, with ever more miles of plant going in, albeit at a much slower rate than in the heyday of urban franchising, and with more and more systems upgrading to higher channel capacities, permitting more networks to gain exposure in individual markets.

The problem is, how to pick up the advertising pace in a way that reflects the growth realities, thereby adding to the funds available for better programming. Obviously, as the public becomes familiar with the once alien assortment of cable net acronyms, it will be easier for good programming to catch viewer attention. The occasional soaring ratings of basic nets' special programs attests to this.

Higher share

Tom Winner, senior vice president and director of broadcast operations at William Esty, has a view on the basic programmers' performance that most network executives would probably like to see gain more currency in the advertising community. "The overall share of basic cable viewers is meaningfully higher than a year ago," he

says. "Viewing is up, but not necessarily to the larger services. That's probably a result of higher system penetration by newer services. While the big guys are holding steady, the small guys appear to be picking up the slack."

"Keep in mind that they're holding the audience in the face of strong competition," notes Cabletelevision Advertising Bureau President Robert Alter. "When you extend that multi-channel environment, all ratings tend to go

People meters: potential solution to diary faults?

Cable representatives categorize them as the industry's great audience measurement hope. Advertising agencies generally view them as the solution to their demographic research problems. And broadcasters aren't anxious to utilize them anytime soon.

Nevertheless, all three factions agree on one point: people meters—electronic monitors created to track not only what a television household watches at a given time but who's doing the watching—loom as the most important methodology development to hit the media business in years.

Debate over the viability and potential impact has heated up over the last two months at a variety of trade confabs and in press accounts, and there's little doubt that the discussion will continue this week at Cabletelevision Advertising Bureau's annual New York conference.

A.C. Nielsen, AGB and ScanAmerica Inc., the three research organizations backing people meter technology, are in the midst of putting their respective devices through field trials and validation tests. Nielsen has the largest people meter sample in place, covering 700 households at sites around the country. Boston serves as AGB's test locale with about 440 homes connected to its operation.

ScanAmerica, partnering Control Data's Arbitron subsidiary with Burke Marketing Services and Selling Areas-Marketing Inc. (SAMI) has had 200 meters working in the Denver area since last November. About 45 percent

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'The overall share of basic cable viewers is meaningfully higher than a year ago.'

—Tom Winner

ADVERTISING

down. The fact that individual network ratings have stabilized should be taken as a positive sign."

According to one Nielsen study detailed in the CAB's 1986 *Cable TV Facts* pamphlet, ad-supported basics and superstations already account for at least 14 percent of total day viewing in all U.S. television households and 24 percent of total day viewing in all cable homes.

On a total-day basis, most of the monthly Nielsen-metered basics fluctuated within two or three tenths of a rating point between September 1985 and March 1986. Ironically, the lone

exception to that trend was WTBS, which went from a 1.7 rating last fall to a 2.2 rating two months ago; the superstation dropped two tenths of a point in March, but company researchers expect a ratings uptick for April, based on the return of Atlanta Braves baseball and strong early numbers for its pro basketball playoff coverage.

Best figures

Most of the services tallied their best prime-time Nielsen meter figures of the six-month period last September—WTBS achieved a 2.7 rating, while

The Nashville Network came in with a 1.6 rating, helped by its live coverage of Farm Aid. USA and the combination of Cable News Network/Headline News recorded 1.3 ratings for the month. From there, each network's rating increased or declined slightly on a month-to-month basis, with Lifetime's initial .5 rating holding firm through October and raising to .8 by January. Generally, the cable networks finished the period near or slightly above their September levels.

Nielsen-metered basics surveyed on a quarterly basis generally increased both their total day and prime time ratings over time. ESPN increased its total day figure by one rating point during the last six months of 1985, and bounced its prime time count to a 1.6 rating from 1.3 early last summer. Network officials credit the rise on a revamped college basketball schedule emphasizing weeknight games, live college football and the addition of National Hockey League matches. Weather Channel representatives project a .3 total day and .4 prime time rating for the first three months of this year, compared with a .2 total day and .3 prime time mark last summer.

"By and large, you're seeing growth happening among the smaller networks because systems are gradually rebuilding and adding channel capacity," Lifetime Research Vice President Barry Kresch points out. "Also, many systems are preparing to unbundle their basic tiers because of rate deregulation. The net result is that the ratings competition is more heated, and when more services sign up for Nielsen measurement, they'll tend to take a piece of the pie with them."

But Dana Redman, Kresch's counterpart at ESPN, believes that the opposite will happen: WTBS, USA and other channels with large subscriber universes will hold their ratings at present levels because of improved first-run programs, better audience promotion and the wiring of major cities.

"We'll see some bumps due to specific format changes and individual events, but in the short term, I expect the ratings will stay pretty close to where they are right now," Redman says. "And I can't see much change taking place in the distant future."

Nielsen monthly meter ratings

TOTAL DAY (24 hours unless otherwise noted)

Service	Sept. 1985	Oct. 1985	Nov. 1985	Dec. 1985	Jan. 1986	Feb. 1986	Mar. 1986
WTBS	1.7	1.9	2.0	2.1	2.1	2.2	2.0
USA	.7	.8	.8	.8	.9	.9	.8
CBN	.7	.7	.7	.8	.8	.8	N.A.
CNN/Headline News	1.0	1.0	.9	.8	.9	1.0	1.0*
Nashville Network ¹	.8	.6	.7	.6	.6	.7	N.A.
Lifetime ²	.4	.4	.4	.5	.4	.4	.5

PRIME TIME (8-11 p.m.)

Service	Sept. 1985	Oct. 1985	Nov. 1985	Dec. 1985	Jan. 1986	Feb. 1986	Mar. 1986
WTBS	2.7	2.3	2.4	2.3	2.7	2.6	2.4
USA	1.3	1.3	1.4	1.3	1.4	1.5	1.4
CBN	1.1	.9	1.0	1.2	.9	1.0	N.A.
CNN/Headline News	1.3	1.1	1.3	.9	1.3	1.3	N.A.
Nashville Network	1.6	1.1	1.1	1.0	1.2	1.2	1.5*
Lifetime	.5	.5	.7	.7	.8	.7	.7

Rating represents the percent of all U.S. television homes watching; .1 equals 85,900 homes

N.A.—not available

*—network estimate

¹—Nashville operates on an 18-hour daily schedule (9 a.m.-3 a.m.)

²—Lifetime rating does not include *Doctor's Sunday* programming.

Better formats

Steven Abel, vice president and manager of new technologies and research for BBDO's Video Development Group, agrees that improved formats among major cable basics promise improvements in viewership.

ADVERTISING

"Lifetime, A&E and the other specialized services decided over the last year to fine-tune their formats and fit more broad-based productions into their mixes," Abel says. "And we expect those targeted services to show more strength as they continue to develop more programming in that vein."

Pearl Joseph, Young & Rubicam's senior vice president and director of communications information services, doesn't discount the possibility that a major ratings jump may occur once the industry settles into New York's outer boroughs, Chicago, Washington, D.C., Philadelphia and other largely unwired territories. "Either this industry has stabilized for good, or it's in a hiatus period," she says. "New market growth may be the link—if it happens rapidly, we'll see (higher ratings)."

Steady or gradually increased ratings may not be enough to convince

advertising agencies to spend more money on ad-supported networks. Many observers feel that agencies who once positioned cable as a special, potentially significant commercial medium, based upon heady revenue projections and industry expectations, now view it as just another media vehicle competing for dollars.

Joseph's agency, the top player in annual cable billings, spent \$48.9 million last year and is expected to allocate at least \$65 million on cable industry networks during 1986. However, 64 percent of Y & R's overall \$1.5 billion in billings last year was directed at broadcast ads, and the percentage is not expected to change noticeably this year.

More modest

Analysts who portrayed cable as a skyrocketing ad medium several years



Pearl Joseph

Nielsen quarterly meter ratings

TOTAL DAY (24 hours unless otherwise noted)

Service	3rd Quarter 1985	4th Quarter 1985	1st Quarter 1986
ESPN	.6	.7	.7*
MTV	.9	N.A.	N.A.
Nickelodeon ¹	.9	.9	N.A.
Weather Channel	.2	.3	.3*
FNN ²	N.A.	N.A.	N.A.

PRIME TIME (8-11 p.m.)

Service	3rd Quarter 1985	4th Quarter 1985	1st Quarter 1986
ESPN	1.3	1.6	1.7*
MTV ³	N.A.	N.A.	N.A.
Weather Channel	.3	.4	.4*

Rating represents the percent of all U.S. television homes watching; .1 equals 85,900 homes

N.A.—not available

*—network estimate

¹—Nickelodeon rating covers 8 a.m.-8 p.m. schedule; Nick At Nite has not contracted for metered service yet

²—FNN reports cover 6 a.m.-8 p.m. period; Score format has not contracted for metered service yet

³—MTV does not break out prime time ratings.

ago now tout more modest growth forecasts. Basic networks are expected to generate \$800 million in ad revenues this year, as opposed to earlier 1986 estimates of \$850 to \$950 million. Projections for 1990 suggesting that cable network buys will top \$2.5 billion at that time have generally been lowered to around \$2 billion. Using Paul Kagan Associates data, CAB advocates that ad-supported services will finish 1986 with at least \$800 million in annual billings, compared with \$606 million for 1985.

Concurrently, most advertising prognosticators are revising their local cable billing estimates upward, due to the rapid formation of interconnects around the country and increased sales interest in local origination channels. Systems and interconnects attracted \$129 million in ad revenues last year, up some \$4 million from initial forecasts. Kagan and other industry followers see a \$190-million local sales market for 1986, surpassing earlier projections of \$175 million. And if the interconnect field continues to boom, the 1986 total can easily pass \$200 million, analysts point out.

Local ad forecasts for 1990 also are turning less conservative; agency executives previously calling for \$500 million in system interconnect sales that year now bet that the market will ac-

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commodate at least \$630 million, and could surge to around \$675 million or \$700 million.

There's no question that agencies have shifted their cable ideologies dramatically from positions taken in the early '80s. Alter says. That understood, the industry's role now is to convince advertisers that cable holds unique creative abilities that will remain in place as the medium continues its maturation process in programming, consumer marketing and promotion.

"There was so much hype and excitement early on that in some ways, it proved to be cable's worst enemy," asserts Marcella Rosen, senior vice president and managing director of media services with N.W. Ayer. "When people categorized 30 percent penetration as the magic threshold number for a major cable ad plunge, they talked in potentials, not actualities. So cable never matched all those rosy forecasts. Now it's become one of the major broadcast alternatives with a good definite niche—but just one."

Ad fool

Alter concurs with Rosen's hype appraisal, but argues that many agencies have locked themselves into the notion that a cable industry growing on more realistic expectations remains a subservient ad tool.

Adds Alter: "We're only five years old as a medium, yet we'll approach one billion dollars in combined network and local sales this year. Some agencies lost their interest in cable because results didn't match the hype and bring them instant gratification. High expectations are in the past, replaced by a sense of reality that will be healthy for the industry in the long run. Is that appreciated by agencies? Not universally. And the solutions required to eradicate that feeling are not simple, because we're complicating the agency's life."

Indeed, what media planners want from ad-supported networks in the way of conclusive data varies from agency to agency. Some firms still believe in the credo that higher ratings trigger more billings, while other companies largely base their cable spending decision upon demographic results, pricing and the attractiveness of targeted programs.

"Media spending is all cost-per-thousand and ratings-based," explains Walter Reichel, Ted Bates' executive vice president and director of media programs. "But cable holds an appeal

in that market, when we spend money in broadcast, we know we're underdelivering in cable homes, so that fact alone warrants sizeable cable buys. The medium is still priced cheaper than broadcast and it's a way to beat inflation; if cable pricing was similar to network pricing, we'd take a different view."

Demographics are the primary evaluation standard for BBDO. Abel insists. "The idea is not to generate big numbers but to establish equity in commercial inventory. Low ratings are an advantage to both the cable network and the advertiser, because the network can package a well-targeted program at a modest cost, while the agency can establish a support level at low prices for their clients."

Cheap time

"Clearly everyone is interested in demographics, but the main reason why advertisers buy cable network time is that it's cheap," notes Turner Broadcasting Research Vice President Bob Sieber. "Our dilemma in getting more dollars stems from having cost-per-thousand levels (CPM's) that are very low relative to network television. If those levels increased to where they were competitive with network, the ad-supported channels would take in at least two-and-a-half times the annual revenue they're making now."

Some agencies impressed with both the ratings and demos of narrowcast services express concern over MTV's 1985 fourth quarter rating problem. The video music channel withheld public release of its Nielsen number for the quarter several months ago, claiming that it was inaccurate because of dramatic changes in the composition of Nielsen's metered universe that affected the network's target demographic.

Nielsen finally distributed that number among subscribers of its Cable Activity Report two weeks ago, following consultations with MTV executives and an internal review. Published reports claim that the network had a .6 total day rating for the quarter, down 30 percent from a .9 rating achieved the previous year; MTV and Nielsen officials declined to confirm the forth-quarter result, adding that an investigation of the matter will continue.

"While we are not convinced of the accuracy of the (CAR rating)," adds MTV Audience Research Vice President Ned Greenberg through a prepared statement, "the data released ends previous unfounded speculation

about low ratings and provides advertisers with the specific Nielsen data they need." But as some agency leaders read this as a one-shot fluke, Ted Bates' Reichel and others note otherwise. "To some extent, this may be a reflection that MTV has lost its lustre and the bloom is off a little bit," Reichel says. "This also may reflect the need for cable to do more broad-based programming than more selective programming."

New enthusiasm

Many agencies sharing Reichel's belief are getting enthused about Tele-Communications Inc.'s drive to organize a basic "flagship" or "showcase" channel designed to compete head-to-head with broadcast through high-budget, operator-funded fare. While it remains to be seen whether TCI can cultivate enough backing for its project, and what the vehicle for that operation will be—WTBS, USA, CBN, some other established channel or a start-up network—ad executives see it as a novel, potentially significant development in the industry's history. Some firms are relating it to Operation Prime Time, the successful miniseries production cooperative established by major independent stations a decade ago.

"He who controls programming controls the game," Marcella Rosen observes. "If they can get better programming on, it will help generate ratings and ad dollars."

"It will work—if the operators can generate the production funds, the programs are good and are promoted widely," Y & R's Joseph adds. "It sounds simple, but as broadcast networks regularly find out, even with a lot of money behind them, failures happen."

While agencies wait and see how TCI's campaign turns out, most ad-supported networks see their rating fortunes improving over time, as urban market penetration accelerates and first-run productions occupy a greater percentage of their schedules.

"There seems to be a perception that the broadcast guys are doing better and the cable people are stagnant, with nothing happening," Seiber believes. "Our job is to tell people that we are improving. Audiences for specific day-parts on some services are up substantially over last year, and that message has to be publicized in a stronger manner. The general trend is upward because programming will drive the ratings in that direction. Now we have to convince the agencies."

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	320	4,000,000
Alternate View Network	80	1,221,104
Arts & Entertainment (AAE)	2,000	18,000,000
Black Entertainment Television (BET)	300	1,311,518
Cable News Network (CNN)	9,100	31,501,000
C-SPAN	2,100	24,000,000
CHN Cable Network	6,714	30,065,000
Country Music Television	425	6,200,000
The Discovery Channel	614	6,417,904
ESPN	13,613	36,900,000
Eternal Word Television Network (EWTN)	276	4,500,000
Financial News Network (FNN)	1,200	21,000,000
Headline News	3,277	18,000,000
Hu. Video USA	N/A	N/A
Home Shopping Network	331	9,000,000
Innovations In Living	10	2,000,000
The Learning Channel	100	6,000,000
Liberty Broadcasting Network	90	1,252,000
Lifetime	2,310	24,000,000
Muscle Television (MTV)	2,400	28,000,000
The Nashville Network	2,200	24,700,000
National Jewish Television (NJTV)	147	3,250,000
Norfolkdom	4,200	26,000,000
PTI: The Inspirational Network	2,000	13,000,000
Rock Christian Network	N/A	N/A
Silent Network	200	60,000,000
SIN Television Network	904	15,700,000
Success N Life Network	N/A	N/A
Tempo Television	600	12,100,000
Trinity Broadcasting Network	400	6,171,000
USA Network	8,000	31,000,000
Video Hits One	640	11,000,000
The Weather Channel	2,000	28,000,000
WGN-TV	7,000	27,000,000
WOR-TV	9,400	9,100,000
WPIX-TV	300	3,400,000
WTBS-TV	71,000	90,000,000

Pay services

American Family	1	40,000
American Movie Classics	70	270,000
Bravo	200	990,000
Cineplex	3,000	1,100,000
The Disney Channel	4,000	2,500,000
GalaVision	10	170,000
Home Box Office (HBO)	1,000	14,000,000
Home Theater Network (HTN)	100	800,000
Showtime	3,000	30,000,000
The Movie Channel	1,800	1,200,000
The Nostalgia Channel	100	300,000
The Playboy Channel	100	100,000
Private Ticket	1	N/A

Audio services

Cable Radio Network	10	1,150,000
K&GO Super Jazz	10	800,000
Lifestyle	102	1,041,770
Lifestyle AC	10	670,000
Moody Bible Institute	102	148,742
Satellite Radio Network	50	400,000
Stardome	N/A	N/A
Tempo Sound	40	1,002,000
WFMT Chicago	104	1,140,000

Text services

AP News Cable	100	1,000,000
AP News Plus	30	700,000
Cable Sportstracker	14	947,000
DBC MarketWatch	N/A	N/A
Electronic Program Guide (EPG)	207	5,300,000
EPG Jr	41	40,433
Gemesis Cable Storytime	25	875,000
Reuters News View	325	1,250,000
TV Decisions	106	2,826,401
UPI Data Cable	450	4,000,000
X*Press	58	300,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fxp Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	4	93,000
Buffalo Sabres Hockey	8	400,000
Cable TV Network of New Jersey	30	1,045,000
The Encouragement Channel	8	147,000
KTVF	88	2,022,000
Life Newsroom	24	36,000
Madison Square Garden	67	1,900,000
Meadows Racing Network	14	446,000
Metro Channel	1	119,000
Prime Ticket	41	1,300,000
Texas Cable Network	10	642,000

Pay services

DisorderVision	40	N/A
Home Sports Entertainment - Houston/Dallas	30	135,000
Home Vision Sports	60	190,000
New England Sports Network	107	84,023
PRISM Philadelphia	90	280,000
Precious Sports	94	101,000
Sports Channel (New England)	69	30,000
Sports Channel (New York)	54	441,000
SportsVision A Chicago	20	164,000
Z Channel	21	93,000

Announced services

Satellite-fed services

AOL Pay-Per-View service	4th Quarter 1996
Apollon Entertainment Television	TBA
The Book Channel	TBA
The BuenaVision Channel	TBA
Cableix	4th Quarter 1996
COMB.TCI Shopping Service	3rd Quarter 1996
Comedy Television	1997
Discovery Computer Network	4th Quarter 1996
Discovery Financial Network	TBA
Discovery Music Network	TBA
Ed Canal Musical	4th Quarter 1996
Edm. Radio Networks	TBA
Event Television	7-96
International Business Network	4th Quarter 1996
Magrabite	TBA
Movie Time	12-96
Sutro's National Digital Network	2nd Quarter 1996
The Success Network	1-97
Teletar Channels	2-96
The Travel Network	4th Quarter 1996

Expected Launch

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable Stats, P.O. Box 3209 T.A., Denver, CO 80217. N/A denotes not available. TBA denotes to be announced.

† Total SIN reach: Spanish-speaking households 4,114,400.

Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

Arts & Entertainment

Allset (N)
American Express (R)
Armour-Dial (R)
AT&T (various divisions) (R)
Australia Tourism (R)
Benetton (N)
Black & Decker (R)
Buick (R)
Canon (N)
Chevron (N)
Dole Sorbet (N)
Ford Motor Co. (R)
General Motors (R)
Gillette (N)
Grey Poupon (N)
MasterCard (N)
Metropolitan Life (N)
New Yorker Magazine (R)
Pommery Wines (N)
Qantas Airlines (R)
Ralston-Purina (R)
USA Today (R)
Visa (R)
Wells Fargo (R)

BET

American Beauty Products (R)
Anheuser-Busch (R)
Bristol Meyers Co. (N)
C.B. Fleet Co. (N)
CBS Records (R)
Campbell's Soup (R)
Carson Products (R)
Coca-Cola (R)
Columbia Pictures (R)
Eastman Kodak (R)
Ford Motor Co. (R)
General Mills (N)
Hershey (R)
Home Box Office (R)
J.C. Penney (R)
Johnson & Johnson (R)
Jovan (N)
KFC Corp. (R)
M&M Products Co. (R)
McDonald's (R)
Mobil Oil (R)
Nike (R)
Pepsi Cola (R)
Pro-line (R)
Quaker Oats (R)
Seagram Wine Co. (N)

Sears Roebuck & Co. (R)
U.S. Army (R)
Warner Bros. Records (N)
Wendy's International Inc. (R)

C-SPAN*

AFSCME
Centel
DuPont
General Instrument
John D. & Catherine MacArthur Foundation
Northern Telecom.
Times Fiber
Time Inc.
TLL Temple Foundation

The Discovery Channel

Antiques Magazine
Architectural Digest
Barron's Weekly
Bird Talk
Bon Appetite Magazine
Business Week
Cat Fancy
Changing Times Magazine
Charles Schwab
Cooking With Bon Appetite
Consumer Reports
Dreyfus Fund
Enchanted World
Esquire Magazine
Esquire Video Products
Family Computing Magazine
Forbes Magazine
Home Magazine
Kent Collectibles
Life Magazine
M Magazine
National Business Employment Weekly
Prudential Insurance
Psychology Today
Saavy Computers
Save The Children's Fund
Smithsonian Magazine
Sports Illustrated
Standard & Poors
Tennis Magazine
Time + Life Books
Transamerica Occidental
TV Guide
USA Today
U.S. News & World Report

W Magazine
Wall Street Journal
Working Woman Magazine

The Learning Channel

California Beef Council (R)
Charles Schwab (R)
Esquire Magazine (N)
Forbes Magazine (N)
Home Magazine (N)
Speed Mail (N)
Standard & Poor's (R)
Tax Mate (N)
Time + Life Books (R)

The Nashville Network +

AC Delco
American Home Products
BF Goodrich
Black & Decker
Chrysler
Fram
Frito-Lay
General Foods
General Tire Co.
Holly Farms
Isuzu
Miller Brewery
Nestle
Pillsbury
Pizza Hut
Quaker State Oil
Stroh Brewery
U.S. Army
Winnebago

Tempo Television

AT&T
Bass Pro Shops
Bayer
Beechnut
Budweiser
Casio
Chum'n Rub
Continental Airlines
Evenflo
Fisher-Price
Gerber
Heinz
Hilton Hotels
Huggies
Ivory Snow
Johnson & Johnson
Johnson Reels
Johnson Silve. Minnow
Kodak
Little Stinker Bate Co.

Maytag
National Rifle Assoc.
Norelco
Playboy Magazine
Playtex
Redman Chewing Tobacco
Rubbermaid
Sears
Time + Life Books
Tropicana
United Airlines
Valvoline
Vaseline
Windjammer
Yamaha

The Weather Channel

AC Delco (R)
Amana (N)
American Home Products (R)
Clorox (R)
Columbian Coffee (R)
Frito-Lay (N)
General Foods (N)
GMC Trucks (R)
Hartford Insurance (N)
International Car Wash Assoc. (N)
Italcable (R)
Kraft Foods (R)
M&M Mars (R)
Michelin (R)
Northwest Orient Airlines (N)
Pearle Vision Centers (R)
Proctor & Gamble (R)
Quaker Oats (R)
Quaker State Oil (R)
Ralston-Purina (R)
Thompson Medical (R)
United Airlines (R)
Warner Lambert (R)

(R) denotes renewal client.

(N) denotes new client.

*New and renewal information not available.

*Listing is comprised of both advertisers and program underwriters.
Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.

C4722-2

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

PLUNGING INTEREST RATES: THE MSO RESPONSE TO A WINDFALL

VH-1: AN EVOLVING SUCCESS STORY CAB CONVENTION COVERAGE

ASSERTING CABLE'S RIGHTS ON THE OBSCENITY ISSUE

WARNER CABLE SIGNALS ITS LONG-TERM STRATEGY

SUPREME COURT QUIZZES PREFERRED LITIGANTS

THE HOME ELECTRONICS TANGLE: QUICK FIXES NOT IN THE OFFING

CV 000260827 01
EDITOR ACQUISITIONS SRI
4520 EAST WEST HWY
BETHESDA MD

20814



CableVision

PROGRAMMING

VJ1

9



Carly Simon

VJ-1, the sister to MTV, is making the most of program changes to entice viewers in their second year of operations.

ADVERTISING

CAB wrapup

23

Cable execs reiterated the need for more sales professionalism, among other things, at last week's CAB conference in New York.

LAW & REGULATION

Meese commission report

34

At its last meeting, the Meese unit shied away from increased cable

FRONT LINE

Warner promotion

12

James Gray has been named president and CEO of Warner Cable Communications because of his operational know-how.

Oral arguments

14

The U.S. Supreme Court finally heard oral arguments in the Preferred Communications case, and it's expected to make a landmark decision.

Must-carry

16

The must-carry compromise between cable and broadcast associations has been blasted by a number of sources, including the White House.

Departments

Between the Lines 6

Cablescope 11

People 47

Events 48

Products 49

Classifieds 50

Advertiser's Index 54

Cable Stats 56

Parting Words 58

regulation, but the industry shouldn't relax just yet.



Forum

36

Lawyer Robert St. John Roper offers a primer on the First Amendment rights of the cable industry.

BUSINESS

Interest rates

42

Low interest rates are having profound effects on the way the cable industry is doing business, most notably, through increased business.

FROM WASHINGTON

Captain Midnight

54

The antics of Captain Midnight have surpassed merely breaking into HBO's signal, now the FBI and the FCC are concerned about tampering on a larger and less friendly scale.



COVER STORY

Future electronics

26

Technology may indeed rescue cable operators from irritated viewers wrestling with the multitude of brown boxes, but not in the near future, according to industry experts.

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
CBN Cable Network	8
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	4
Genesis Storytime	8
HBO (West)	13
HTN	16
Home Shopping Network	22
The Learning Channel	16
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Reuter Monitor Service	18
Showtime (West)	10
SPN	6
Studioline	19
TV Decisions	24
The Learning Channel	16
Trinity Broadcasting Network	3
Video Hits One	15
Viewer's Choice	15
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
Biznet	6
Bravo	2
C.O.M.B. Value Network	2
Hit Video USA	18
Home Shopping Network 2	1
Home Sports Entertainment	11
Home Team Sports	22
Liberty Broadcasting Network	7
Madison Square Garden	6
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	12
Prime Ticket	20
The Silent Network	8
SportsVision	9
WPIX - New York	19

Westar III (Western Union)

Transponder

CNN	5
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Westar IV (Western Union)

Transponder

Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Westar V (Western Union)

Transponder

Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

Transponder

American Extasy	19
Country Music Television (CMTV)	18
KTVT (Dallas)	22
SelecTV	13

Galaxy I (Hughes)

Transponder

CBN Cable Network	11
Cinemax (East)	19
CNN	7
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Studioline	13
WGN	3
WOR-TV	15
WTBS	18

Aurora F5 (Alascom)

Transponder

Alaska Satellite Television Project	24
Learn/Alaska Television Network	20
NASA Contract Channel	13

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1.	Tele-Communications Inc.	3,778,621 (11/85)
2.	American Television and Communications Corp.	2,709,000 (12/85)
3.	Group W Cable	2,162,000 (10/85)
4.	Storer Cable Communications	1,533,000 (12/85)
5.	Cox Cable Communications	1,466,033 (11/85)
6.	Warner Amex Cable Communications Inc.	1,158,805 (10/85)
7.	Continental Cablevision	1,100,000 (12/85)
8.	United Cable Television	984,000 (1/86)
9.	Times Mirror Cable Television Inc.	893,374 (2/86)
10.	Newhouse Broadcasting	927,000 (7/85)
11.	Viacom Cablevision	829,000 (1/86)
12.	UA Cablestems Corp.	735,431 (2/86)
13.	Sammons Communications Inc.	708,609 (12/85)
14.	Heritage Communications Inc.	606,038 (11/85)
15.	Cablevision Co.	601,300 (2/86)
16.	Rogers Cablestems Inc.	583,369 (11/85)
17.	Jones Interable Inc.	582,754 (12/85)
18.	Comcast Cable Communications	513,920 (12/85)
19.	Telecast Corp.	467,941 (3/86)
20.	McCaw Communications	382,000 (7/85)
21.	Post-Newsweek	360,000 (2/86)
22.	Prime Cable Corp.	346,023 (12/85)
23.	Century Communications Corp.	318,060 (12/85)
24.	Centel Cable Television Company	318,055 (2/86)
25.	American Cablestems Corp.	316,827 (2/86)
26.	Wometco Cable TV Inc.	308,427 (7/85)
27.	NewChannels Corp.	299,281 (7/85)
28.	Cablevision Industries	297,107 (11/85)
29.	Daniels & Associates	292,392 (10/85)
30.	TCA Group	273,189 (7/85)
31.	Multimedia Cablevision Inc.	268,063 (7/85)
32.	Tribune Cable Communications	245,079 (3/86)
33.	Falcon Cable TV	245,000 (6/85)
34.	Scripps Howard	234,411 (6/85)
35.	Maclean Hunter Cable TV Ltd.	233,871 (12/85)
36.	TeleScripts	224,633 (12/85)
37.	Colony Communications Inc.	216,320 (7/85)
38.	Rollins Cableview Inc.	202,790 (11/85)
39.	Adelphia Communications	198,205 (7/85)
40.	Service Electric Cable TV Inc.	195,000 (12/85)
41.	Communications Service Inc.	179,000 (2/85)
42.	Western Communications	175,845 (12/85)
43.	TKR Cable Co.	172,026 (3/86)
44.	Sutton Capital Corp.	166,561 (2/86)
45.	Cableentertainment	161,436 (11/85)
46.	TCI-Taft	161,138 (2/86)
47.	Rifkin & Associates	155,193 (2/86)
48.	Concom Cable Associates Inc.	152,048 (1/86)
49.	Adams-Russell Communications	145,382 (7/85)
50.	Harte-Hanks Communications	144,514 (2/86)
51.	Harron Communications	132,644 (7/85)
52.	Buckeye Cablevision	125,925 (7/85)
53.	Lenfest Group	125,731 (2/86)
54.	Greater Media Cable	124,662 (3/86)
55.	Armstrong Utilities	120,061 (2/86)
56.	Harris Cable Corp.	119,901 (7/85)
57.	Televents Inc.	117,787 (3/86)
58.	Media General Inc.	107,440 (2/86)
59.	Summit Communications	102,039 (7/85)
60.	The Essex Group	102,000 (1/86)
61.	U.S. Cable Corp.	98,000 (7/85)
62.	Communications Systems Inc.	94,635 (4/84)
63.	Multi-Channel TV Cable Inc.	94,250 (7/85)
64.	First Carolina Communications Inc.	94,100 (2/86)
65.	Simmons Communications	91,890 (2/86)
66.	Perry Cable TV Corp.	90,215 (1/86)
67.	McDonald Group	90,079 (8/84)
68.	Cable Management Associates	88,201 (1/86)
69.	King Videocable Co.	87,594 (9/85)
70.	WEHCO Video Inc.	83,510 (1/86)
71.	Booth Communications	82,482 (8/85)
72.	Marcus Communications	81,273 (11/85)
73.	Palmer Communications	80,449 (7/85)
74.	Sonic Communications	74,316 (4/85)
75.	Omega Communications	74,213 (6/85)
76.	Midcontinent Cable Systems Co.	73,215 (8/85)
77.	Susquehanna Broadcasting	72,235 (1/86)
78.	Pencor Services Inc.	71,525 (2/86)
79.	Northland Communications Corp.	68,000 (4/86)
80.	Clear TV Cable Associates Ltd.	63,024 (2/86)
81.	Selkirk Communications	62,000 (2/86)
82.	National Telecommunications Corp.	61,625 (1/86)
83.	Marsh Media	57,698 (7/85)
84.	Helicon Corp.	55,000 (2/86)
85.	Mountain Cable Co.	55,000 (4/86)
86.	Masada Corp.	54,570 (2/86)
87.	Action Corp.	54,529 (2/86)
88.	The Daily Press	53,000 (3/85)
89.	United Video Management	51,120 (2/86)
90.	Wisconsin Cablevision and Radio Co.	49,153 (1/86)
91.	Chambers Cable Comm. Inc.	48,643 (4/86)
92.	Communicon	47,694 (1/85)
93.	State Cable TV	45,922 (3/86)
94.	Bresnan Communications Co.	44,800 (2/86)
95.	Tele-Media	44,506 (7/85)
96.	Joseph Kane Cable T.V.	43,838 (3/85)
97.	Cable Holding Inc.	42,344 (2/86)
98.	Donrey Cablevision	42,259 (2/86)
99.	Dowdee Communications	42,100 (4/86)
100.	Gateway Cablevision Corp.	34,694 (2/86)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention Cable Stats, P.O. Box 5208 T.A., Denver, CO 80217.

Top 100 systems

Rank	Location	Operator	Basic subs
1.	San Diego, CA	Cox Cable	264,963 (11/85)
2.	Woodbury (Long Island), NY	Cablevision Co.	242,946 (10/85)
3.	Manhattan, NY	ATC	219,600 (12/85)
4.	San Antonio, TX	Rogers Cablestems	200,205 (11/85)
5.	Houston, TX	Warner Amex	194,300 (12/85)
6.	East Orange, NJ	Maclean Hunter	174,915 (8/85)
7.	Honolulu, HI	ATC	164,300 (12/85)
8.	Wayne, NJ	UA Cablestems	144,328 (12/85)
9.	Louisville/Jeff Co., KY	Storer Communications	146,000 (12/85)
10.	Phoenix, AZ	Times Mirror	142,000 (7/85)
11.	Tulsa, OK	United Cable	138,178 (1/86)
12.	Cincinnati, OH	Warner Amex	137,000 (8/85)
13.	Englewood, CO	United Cable	133,000 (10/85)
14.	Plainville/Hartford	United Cable	130,900 (10/85)
15.	Florida Division (Orlando/Ormond Beach)	ATC	128,100 (12/85)
16.	Manhattan, NY	Group W Cable	126,400 (11/85)
17.	Audubon, NJ	New York Times	125,337 (8/85)
18.	Tidewater (Norfolk), VA	Cox Cable	124,961 (11/85)
19.	Rochester, NY	ATC	123,500 (12/85)
20.	Atlanta, GA	Prime Cable	120,755 (11/85)
21.	Essex County, NY	Prime Cable Corp.	119,002 (11/85)
22.	Baltimore County, MD	Comcast Cable	117,629 (12/85)
23.	Kansas City, MO	ATC	114,600 (12/85)
24.	St. Louis Co., MO	Cencom Cable	111,063 (1/86)
25.	Jacksonville, FL	Continental	110,000 (6/85)
26.	Austin, TX	ATC	109,700 (12/85)
27.	Seattle, WA	Group W	108,700 (10/85)
28.	San Jose, CA	Gill Industries	107,200 (8/85)
29.	Memphis, TN	ATC	106,900 (12/85)
30.	Toledo, OH	Buckeye Cablevision	104,000 (8/85)
31.	Central Islip (Long Island), NY	Viacom	103,000 (8/85)
32.	San Jose, PR	Harris Cable Corp.	102,873 (10/85)
33.	Fairfax, VA	Media General	97,420 (2/86)
34.	Jefferson Parish/Kenner, LA	Cox Cable	97,220 (11/85)
35.	Southeast Michigan	Comcast	94,000 (4/86)
36.	San Francisco, CA	Viacom	93,000 (9/85)
37.	Warren, NJ	TKR Cable	93,978 (12/85)
38.	San Diego, CA	ATC	92,200 (2/85)
39.	Seattle, WA	Viacom	92,000 (9/85)
40.	Wilmington, DE	Rollins Cableview	90,668 (11/85)
41.	Dallas, TX	Heritage	90,489 (11/85)
42.	Los Angeles, CA	Falcon Communications	88,137 (2/85)
43.	Grand Rapids, MI	UA Cablestems	85,000 (7/85)
44.	Dade/Broward, FL	Storer Cable	81,000 (10/85)
45.	Pompano, FL	American Cablestems	80,850 (10/85)
46.	Jackson, MS	ATC	80,700 (12/84)
47.	Richmond/Henrico, VA	Continental	80,342 (3/86)
48.	Wichita, KS	Multimedia Cablevision	80,158 (7/85)
49.	New Orleans, LA	Cox Cable	79,914 (11/85)
50.	Pittsburgh, PA	Tele-Communications Inc.	79,666 (7/85)
51.	Indianapolis, IN	Indianapolis Cablevision	78,785 (3/86)
52.	Charlotte, NC	ATC	78,700 (12/85)
53.	Clearwater, FL	Vision Cable	78,600 (7/85)
54.	Baton Rouge, LA	Cablevision Co.	76,518 (2/85)
55.	South Texas, TX	Heritage Communications	76,224 (11/85)
56.	Boston, MA	Cablevision	75,324 (3/85)
57.	Chicago, IL	Group W	75,000 (4/86)
58.	Flint, MI	Comcast	73,555 (12/85)
59.	Tacoma, WA	Cable TV of Puget Sound	72,436 (5/85)
60.	South Bend, IN	Heritage Communications	71,113 (11/85)
61.	Allentown, PA	Service Electric	70,000 (12/85)
62.	Cleveland Heights, OH	Viacom	70,000 (9/85)
63.	Greensboro, NC	ATC	69,200 (12/84)
64.	Santa Monica, CA	Group W	68,000 (10/85)
65.	Omaha, NE	Cox Cable	67,917 (11/85)
66.	Chicago, IL	Group W	66,446 (12/85)
67.	Raleigh, NC	ATC	65,800 (12/84)
68.	Nashville, TN	Viacom	65,000 (9/85)
69.	Columbus, OH	Warner Amex	64,679 (3/85)
70.	St. Petersburg, FL	Group W	64,500 (10/85)
71.	Indianapolis, IN	ATC	64,000 (12/85)
72.	Syracuse (suburbs), NY	NewChannels Corp.	63,899 (12/85)
73.	Buffalo, NY	Tele-Communications Inc.	63,898 (8/85)
74.	Akron, OH	Warner Amex	63,500 (7/85)
75.	Boston Complex (Malden), MA	Warner Amex	63,180 (3/85)
76.	Hartford, CT	Times Mirror Cable	62,882 (7/85)
77.	Monterey, CA	Western Communications	62,847 (12/85)
78.	Fayetteville, NC	ATC	62,100 (12/84)
79.	El Paso, TX	Group W	62,000 (10/85)
80.	New Haven, CT	Storer Cable	62,000 (12/85)
81.	Sarasota, FL	Storer Cable	62,000 (12/85)
82.	Las Vegas, NV	Times Mirror Cable	61,892 (7/85)
83.	Des Moines, IA	Heritage Communications	61,538 (11/85)
84.	Santa Barbara, CA	Cox Cable	61,417 (11/85)
85.	Madison, WI	Tele-Communications Inc.	61,257 (4/85)
86.	Snohomish County, WA	Viacom	61,000 (9/85)
87.	Oklahoma City, OK	Cox Cable	60,836 (11/85)
88.	Sarasota, FL	Storer Cable	60,651 (9/85)
89.	Albany, GA	Storer Cable	60,000 (12/85)
90.	West Palm Beach, FL	Group W	60,000 (7/85)
91.	Mt. Prospect, IL	Cablenet	60,000 (3/85)
92.	Birmingham, AL	ATC	59,400 (12/84)
93.	Fl. Worth, TX	Sammons Communications	59,000 (7/85)
94.	Oakland County, MI	United Cable	58,000 (10/85)
95.	Harrisburg, PA	Sammons Communications	58,000 (7/85)
96.	Westchester, CT (Oak Park), IL	UA Cablestems	58,340 (2/86)
97.	New Britain, CT	United Cable	58,282 (12/84)
98.	Bridgeport, CT	Cablevision Co./Scripps Howard	57,886 (7/85)
99.	Chicago Suburbs (Oak Park), IL	Cablevision Co.	57,000 (3/86)
100.	Charleston, S.C.	Storer Cable	56,869 (10/85)

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CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

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HERITAGE MOVE PORTENDS ROLLINS TAKEOVER

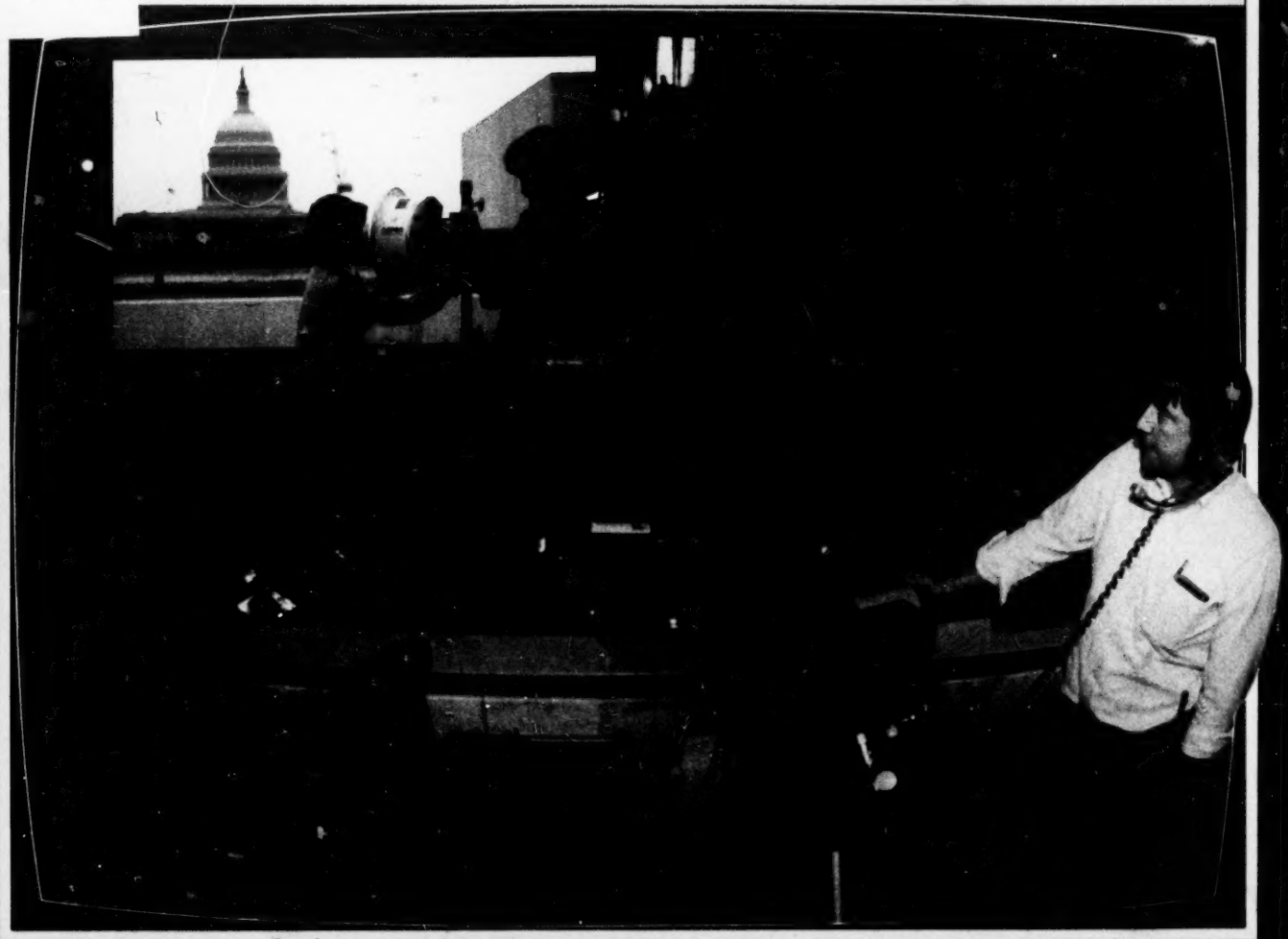
ALTERNATIVE TO 4TH NETWORK APPROACH GAINING SUPPORT

OPERATOR INVOLVEMENT IN PROGRAMMER MARKETING ON RISE

CSR TRAINING AIMS AT IMPROVING SALES SKILLS

TAX REFORM AND CABLE: AN ANALYSIS

**TESTING C-SPAN'S PERSUASIVE POWERS:
FIRST THE SENATE, NOW THE MSO'S**



CableVision

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Some executives are discussing abandoning the flagship channel idea in favor of a multiple-network programming fund.

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The MPAA's requests for caps on the amount of cable subscribers served by an MSO seems to have fallen on deaf ears, but observers say it's not a dead issue.

Departments

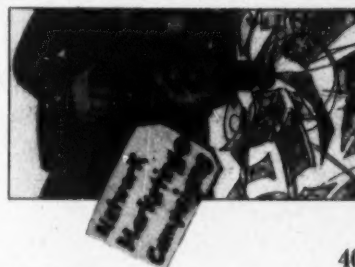
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FROM NEW YORK

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Time Inc. hasn't worked as aggressively as its shareholders might like, but the move to go public with ATC could be a step in the right direction.



COVER STORY

C-SPAN challenge 22
C-SPAN's impact on the American political arena has reached a new high with its penetration of both houses of Congress. Its next step will be to convince the MSOs to carry another public affairs channel. Photo by Associated Press. Inset by Nan Gibson.

Film product comparison—June

Film	Pay Networks				Distributor	Film	Pay Networks				Distributor
The Adventures of Buckaroo Bonzai	(HBO)	(ST)	TMC	(HTN)	20th Century-Fox	Flashpoint				MAX	Silver Screen
The Adventures of Marco Polo		ST			Goldwyn	Friday the 13th			TMC		Paramount
The Adventures of A Private Eye		ST			Miramax	Friday the 13th, Pt. II			TMC		Paramount
Airplane!	HBO				Paramount	Friday the 13th, Part III			TMC		Paramount
All of Me		(ST)	(TMC)	(HTN)	(MAX)*	Friday the 13th—The Final Chapter			TMC*		Paramount
Almos' A Man		ST			Universal	Friday The 13th: A New Beginning		(ST)	TMC*		Paramount
Alphabet City	HBO		TMC*		Cinema Signal	The Gang That Couldn't Shoot Straight		ST			MGM/UA
Amadeus		ST*	(TMC)		(MAX)	Gimme An "F"		ST*		(MAX)	20th Century-Fox
Amateur, The	HBO				Paramount	The Glitterdome	HBO				Telepictures
Android	(HBO)	(ST)			20th Century-Fox	Goodbye New York				MAX	Castle Hill
Angelo, My Love			TMC		MAX	Gotcha!	(HBO)	(ST)	(TMC)	HTN*	Universal
Another Country			TMC		(MAX)	Grandview U.S.A.				MAX	CBS
Arthur					MAX*	Grease		ST	TMC	MAX	Paramount
Ask Any Girl			(TMC)		MAX	Gremlins	HBO	ST	TMC	MAX	Warner Bros.
"Auntie Mame"					MAX*	Greystoke	(HBO)	(ST)	TMC	(HTN)	(MAX)
Baby...The Secret of the Lost Legend	HBO				Disney	Guardian, The	HBO			TMC	Paramount
Bachelor Party	(HBO)	ST*			(MAX)	Gunn			TMC	(HTN)	(MAX)
Bad Boys					MAX	Hambone and Hillie Hammett			TMC		Warner Bros.
Belle Are Ringing		(ST)			MAX	Hanky Panky	HBO				Columbia
A Big Hand for the Little Lady				HTN	Warner Bros.	Hans Christian Andersen	HBO	ST			Goldwyn
Birdy					MAX	Happy Birthday To Me	HBO*				Columbia
Bishop's Wife, The			(TMC)		MAX	Hard To Hold	(HBO)	(ST)	TMC*	HTN*	Universal
Bitter Harvest		ST			(MAX)	Harold and Maude			TMC		Paramount
Blackout	HBO				Viscom	Harry O			TMC		Warner Bros.
Blame It on the Night	HBO*				Peregrine	Heartland		ST	TMC*		Goldwyn
Blood Simple	HBO		(TMC)		Tri-Star	Heidi				(HTN)	Warner Bros.
Border, The		ST			(MAX)	Hey Babe!			TMC*		Caroleco
The Bostonians, The	(HBO)		TMC*		Almi	History of the World, Pt. I	HBO	(ST)			20th Century-Fox
A Boy and His Dog					MAX	Hollywood Hot Tubs			(TMC)		MAX
The Brasher Doubloon			TMC		20th Century-Fox	Home From The Hill	(HBO)	ST		(MAX)	MGM/UA
Brass Ring, The		(ST)	TMC	(HTN)	Film Gallery	The Hunter		(ST)		MAX*	Paramount
The Brewster's Millions	(HBO)	(ST)	(TMC)	HTN*	(MAX)	Hysterical	HBO*				Cinema Group
Bring On the Girls				HTN	Universal	Incredible Shrinking Woman, The		(ST)		HTN*	Warner Bros.
Buddy Holly Story, The		ST			MAX	In-Laws, The	(HBO)	ST	(TMC)	HTN*	Warner Bros.
Caddyshack			(TMC)		MAX	In Love With An Older Woman	HBO				Viacom
Camelot			(TMC)	HTN	(MAX)	Intermezzo				HTN	Warner Bros.
Cannonball Run II	(HBO)		TMC*		(MAX)	Into The Night		(ST)	(TMC)	MAX	Universal
Candidate, The			(TMC)		HTN	Irreconcilable Differences	(HBO)	(ST)		HTN*	MAX
Careful, He Might Hear You	HBO	ST			20th Century-Fox	It Started With A Kiss					Warner Bros.
Ceiling Zero		ST			MGM/UA	I Want You			TMC		MGM/UA
Chatanooga Choo Choo	HBO*		TMC		April Fool	Jigsaw Man			TMC	(MAX)	Goldwyn
Cheech & Chong's Nice Dreams					MAX	Joey	HBO		TMC		UFD
Children of The Corn	HBO*	ST			(MAX*)	Joy of Sex, The		(ST)	TMC*		Satori
Cimarron			(TMC)		MAX	Just The Way You Are	(HBO)	(ST)	TMC*	(HTN)	Paramount
City On Fire	HBO				International	Karate Kid, The	(HBO)	ST	(TMC)	MAX*	MGM/UA
City Heat		(ST)		HTN*	(MAX)	Kelly	HBO	ST		(MAX)	Columbia
Cloak & Dagger		(ST)	TMC	(HTN)	MAX	Kind Lady		ST			Paramount
Cold Feet			TMC		Film Gallery	King David	(ST)	TMC*			MGM/UA
Comfort and Joy	(HBO)	ST	(TMC)		(MAX)	Last Married Couple			(TMC)		Paramount
Conan the Destroyer	HBO	(ST)		HTN)	Universal	In America, The	HBO	ST		(HTN)	Universal
Condemned		(ST)	TMC		Goldwyn	Last Starfighter, The			(TMC)	HTN	Warner Bros.
Covergirl	(HBO)				MAX	Learning Tree, The		ST	(TMC)		Goldwyn
Crooks and Coronets					MAX	Little Foxes, The			TMC		Warner Bros.
D.A.R.Y.L.			TMC*		MAX	Looker			TMC		Warner Bros.
Desperate Search		ST			MAX	Lost In America	HBO	ST	TMC		Warner Bros.
Devil To Pay, The		ST			MAX	Love Letters		(ST)	(TMC)	MAX*	New Horizons
Dodsworth					MAX	A Love In Germany				MAX	Columbia
Double Man, The			TMC*		MAX	Love Scenes				MAX	Playboy Video
Draw!	HBO				Wholesat	Making The Grade	HBO		TMC*		MGM/UA
Dreamscape	(HBO)			HTN)	MAX	Man Who Saw Tomorrow, The	HBO			(HTN)	(MAX)
Dusty		ST			20th Century-Fox	Mass Appeal		(ST)	(TMC)	HTN	(MAX)
Easy Rider	HBO*	(ST)	(TMC)	(HTN)	(MAX)	Mike's Murder		ST			Universal
Electric Dreams		(ST)		HTN		Mike & Nicky			TMC		Warner Bros.
An Enemy of The People				HTN	MGM/UA	Misunderstood	HBO		TMC*	(HTN)	Paramount
Ensigns			TMC		MAX	Model Behavior		ST			MGM/UA
Escape From El Diablo			TMC		The Movie Store	Mom, The Wolfman and Me	HBO				Ho-Tel Inc.
Everything You Always Wanted to Know About Sex But Were Afraid to Ask	HBO*				(MAX)	Monsieur Verdoux			TMC	MAX*	TLF
Evil That Men Do, The	(HBO)				MAX	The Muppets					20th Century-Fox
Evil Under The Sun	(HBO)				MAX	Take Manhattan	HBO				(MAX)
Explorers		ST	TMC		MAX	My Favorite Wife					Tri-Star
Family Business		ST			Paramount	My Science Project	HBO				RKO Pictures
Fandango	(HBO)	ST*	(TMC)		MAX*	Mystery Island		ST	(TMC)		Disney
Father of the Bride		ST			MAX*	Mystery Mansion	HBO*				Satori
Felicia		ST			MAX*	1984	HBO		TMC		PIE
Final Option, The	HBO		TMC		MAX	9 to 5	HBO	(ST)	(TMC)	HTN*	Atlantic
Fire On The Mountain	(HBO)				MAX	The Neverending Story				HTN	(MAX)
F.I.S.T.		(ST)	TMC	HTN*	MAX*	Never So Few		(ST)		TMC	MAX
Flamingo Kid, The	(HBO)	(ST)	(TMC)	(HTN)	MAX	Night Hawks					MGM/UA

Film Pay Networks Distributor

Night of the Juggler			TMC		Viacom
Night of the Shooting Stars			TMC*		Warner Bros.
Night School			TMC		Lorimar
Ninja III: The Domination	HBO			(MAX)	Cannon Films
No Big Deal		ST			Film Gallery
Norms Rae	HBO*	(ST)	(TMC)	(HTN)	20th Century-Fox
Nutcracker	HBO	ST			A'mi
Old Enough	(HBO)		TMC		Film Gallery
Once Upon A Time In America	(HBO)		TMC		Warner Bros.
Opposite Sex, The		ST			MGM/UA
Othello				HTN	Warner Bros.
Our Very Own		(ST)	TMC		Goldwyn
Out of the Past				MAX	RKO Pictures
Oxford Blues		ST	(TMC)	(HTN)	MGM/UA
Paradise Case, The				HTN*	ABC Video
Partners				MAX	Paramount
Percy			TMC		Viacom
Perfect				MAX	Columbia
Phar Lap	(HBO)	(ST)	TMC	HTN*	20th Century-Fox
Philadelphia					
Experiment, The				(HTN)	MAX
Pope of Greenwich Village, The		ST			New World
Porky's	(HBO)		TMC		(MAX) MGM/UA
Portrait of Jennie				HTN	(MAX) 20th Century-Fox
Protocol	(HBO)	ST	(TMC)	HTN*	ABC Video
Purple Rain	HBO		(TMC)		Warner Bros.
Pygmalion			(TMC)		(MAX) Warner Bros.
Rabbit, Run			(TMC)		MAX New Century
Rachel & The Stranger				(HTN)	MAX RKO Pictures
Rare Breed	HBO				(MAX) New World
Raw Courage	HBO		(TMC)		New World
Rebecca				HTN*	ABC Video
Red Dawn	(HBO)	(ST)		HTN*	MGM/UA
Repo Man	(HBO)	(ST)	TMC*	(MAX)	Universal
Return of Martin Guerre, The			TMC		European Int'l
Return of the Tall Blond Man With One Black Shoe, The			TMC*		Brenner
Reuben, Reuben	(HBO)*		TMC		20th Century-Fox
Rhinestone	(HBO)	(ST)	TMC	(HTN)	(MAX) 20th Century-Fox
Ride Vaquero		ST			(MAX) MGM/UA
Rio Bravo				HTN	(MAX) Warner Bros.
River, The		ST		HTN*	(MAX) Universal
Roadhouse 66			TMC		(MAX) Atlantic
Rocky	(HBO)	(ST)	TMC*	HTN*	(MAX) MGM/UA
Romancing The Stone	(HBO)	(ST)	TMC	(HTN)	MAX* 20th Century-Fox
Romantic Comedy	HBO	(ST)	(TMC)		(MAX) MGM/UA
Royal Wedding	(HBO)		TMC		(MAX) MGM/UA
Saint Elmo's Fire	HBO				Columbia
Savannah Smiles	(HBO)		TMC*		(MAX) Embassy
Secret Admirer					MAX
Secret Honor			TMC*		Cinecom
Seema Like Old Times					MAX
Sensuous Nurse, The		(ST)	TMC		(MAX) Castle Hill
Sentimental Journey					MAX 20th Century-Fox
Sex With The Stars					MAX Film Gallery
Shogun Ninja		ST*			Muller Media
Shooting Party, The			TMC		Gavin Films
Sinbad The Sailor					MAX RKO Pictures
Skirts Ahoy!		ST			MGM/UA
Slow Burn		ST			Showtime
Songwriter					MAX Tri-Star
Souder		ST	(TMC)		J/PA
Stalking Moon, The			(TMC)		MAX Warner Bros.
Stardust					MAX Columbia
Star Trek III		(ST)	TMC		Paramount
Stone Boy, The	HBO		TMC	(HTN)	(MAX) 20th Century-Fox
Stratton Story, The			(TMC)		MAX* MGM/UA
Streets of Fire			TMC*	(HTN)	(MAX) Universal
Sure Thing, The	(HBO)	ST*			Embassy
39 Steps, The			TMC*	(MAX)	New Century
Talk To Me	(HBO)		(TMC)	HTN	Atlantic
Tall In The Saddle					MAX RKO Pictures
Tarzan The Ape Man		ST*			MGM/UA
Tender Mercies					MAX Thorn/EMI
These Three					MAX Goldwyn
They're Playing With Fire			TMC*		New World
Thing, The					MAX RKO Pictures
Tightrope		ST*	(TMC)		MAX* Warner Bros.
To All A Goodnight		ST*			Intercontinental
Tomboy					(MAX) Crown Int'l
Too Scared To Scream	(HBO)				MAX The Movie Store
Touched by Love					MAX Columbia
Toy Soldiers			TMC		New World
Treasure of The Four Crowns					MAX Cannon Films
Tuff Turf	(HBO)				MAX New World
Turk 182!	(HBO)	(ST)	(TMC)		MAX 20th Century-Fox



Elizabeth Taylor & Spencer Tracy in 'Father Of The Bride.'

Film Pay Networks Distributor

Untamed				HTN	Universal
Up In Arms			TMC		Goldwyn
Ups and Downs		(ST)	TMC		David Armstrong
Vamping			TMC		Atlantic
Venus				MAX	Goldfarb
Victor, Victoria			TMC	(MAX)	MGM/UA
View To A Kill, A					
VisionQuest	HBO			HTN	MAX MGM/UA
Walk Proud	HBO	ST	TMC		Warner Bros.
Weekend Pass	HBO*			(HTN)	Universal
Westerner, The		(ST)	TMC		Crown
Who's Afraid of Virginia Woolf				MAX*	Goldwyn
Wild Life, The			(TMC)	HTN	Warner Bros.
Wild Swans, The	(HBO)		(TMC)		MAX Universal
Windwalker					Turner Program Service
Wizards	HBO		TMC		Pacific Int'l
Wonder Man			TMC		20th Century-Fox
Wuthering Heights			TMC*	(MAX)	Goldwyn
Ziegfeld: The Man and His Women	(HBO)		(TMC)	MAX	Goldwyn

Cable Network Legend:
HBO-Home Box Office
ST-Showtime
TMC-The Movie Channel
HTN-Home Theater Network
MAX-Cinemax

■ Networks in parentheses indicate carriage in January, February, March, April and/or May.

■ An asterisk indicates the film is a carry-over from January, February, March, April and/or May.

■ In total, 258 films appear on the June schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, 10 films have played on all five services, 19 films have played on four of the five services, 37 films have played on three services and 77 films on two of the five services. One hundred and fifteen titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV this month is Warner Bros. with 39, followed by MGM/UA with 33, Universal with 23, 20th Century-Fox with 20 and Paramount with 19.

CABLE STATS

Franchising calendar

This chart examines the franchise status of communities since May 1986.

California

Cerritos—request for proposals issued.
Chino—award to Marsh Media.
Claremont—tentative agreements to award franchise to Masada Corp.
East Yolo—award to Sonic Cable 7/85 (10,000 homes).
La Puente—award to United Cable 11/28/84 (8,600 homes).
Los Altos—awarded to United Cable 12/84 (9,000 homes).
Palo Alto—awarded 10/7/85 to Cable Communications Cooperative of Palo Alto.
Rosemead—award to Falcon Communications 2/26/85 (14,000 homes).
South Monrovia—award to Falcon Communications 9/18 (5,400 homes).

Delaware

Wilmington—commission's recommendation under review by City Council.

District of Columbia

Washington, D.C.—award to District Cablevision 7/10/84 (254,000 homes).

Illinois

Chicago—Area I award to Communications and Cable (300,000 homes).
Countryside—award to Cablevision of Chicago 6/13/84 (2,200 homes).
Elmwood Park—award to Continental Cable 12/17/84 (9,500 homes).
Naperville—award to Rite Cable Co. of Illinois Limited. Rite Cable of Illinois also awarded unincorporated areas of DuPage County. (17,500 homes).
St. Charles, Geneva—award to Centel 7/2/84 (10,000 homes).
Wheaton—award to Centel 7/2/84 (16,000 homes).
Winnetka—survey showed interest in cable insufficient to warrant franchise.
Woodbridge—terminated franchising process (260 homes).

Kentucky

Fulton—award to TCI 12/13/84 (2,400 homes).
Loretto—terminated franchise process.
New Haven—award to First PIC.

Maryland

Baltimore—award to United Cable 12/19/84 (302,000 homes).

Missouri

St. Louis—award to STL Cablevision Partners Inc. (75% of city) and St. Louis City Communications (25% of city) 4/11/84 (178,000 homes).

New York

Mt. Upton—terminated franchise process.
North Salem—award to Community Cable Services 12/84 (1,100 homes).

North Carolina

Davie County—award to Summit Cable.
Jackson—award to Cable East (400 homes).

Ohio

Avon—award to Space Cable of Ohio 4/84 (2,000 homes).
Cleveland—franchise awarded to Northcoast Cable 7/85.
Oberlin—preliminary award to Oberlin Cable Co-op 6/6/84 (2,600 homes).

Oregon

Dunthorpe—no response to RFP.
Sylvan—awaiting additional legal opinions.

Pennsylvania

Philadelphia—city is divided into four areas; Area I award to Greater Philadelphia Cablevision; Area II award to Wade Communications; Area III award to Rollins; Area IV award to Comcast 11/84 (each area: 155,000 homes).

Rhode Island

Naval Education and Training Center—accepting proposals (2,900 homes).
Newport (Area 7 includes Middletown, Portsmouth, Tiverton, Little Compton)—Bellevue Cablevision Inc. awarded franchise. (29,500 homes).

Washington

Battle Ground—new ordinance drafted. Soliciting interest from operators.
Seattle—city is divided into four parts; Group W, Viacom and Seattle Community Cablevision serve overlapping sections of three parts; part IV is beginning franchising process.

Wisconsin

Hayward—award to Cable TV of Hayward (1,000 homes).
New Glarus—award to Telephone and Data Systems 7/84 (675 homes).
Waterford—award to Total TV 9/84 (600 homes).

Source: International Thomson Communications Inc.

Franchising in the top 50 markets

Rank	Market	Status of core city	Rank	Market	Status of core city	Rank	Market	Status of core city
1.	New York	Manhattan—2-OP; outer boroughs 8-FG	23.	Portland	Three systems-OP	47.	Norfolk/Newport	Four systems-OP
2.	Los Angeles	City is divided into 14 areas (A-n); 11-OP, 3-UC	24.	Phoenix	Three systems-OP		Newa/New Ham-	
3.	Chicago	City is divided into five areas: Area I-FG, Areas II, III-OP, Areas IV, V-FG	25.	Hartford	Two systems-OP		ton/Portsmouth	
4.	Philadelphia	City is divided into four areas: Areas I, II, III, IV-FG	26.	New Haven	OP	48.	Harrisburg/York/	Four systems-OP
5.	San Francisco	OP (system to be upgraded)	27.	Cincinnati	OP		Lebanon/	
6.	Boston	OP	28.	San Diego	Two systems-OP		Lancaster	
7.	Detroit	FG	29.	Kansas City	OP	49.	Wilkes Barre/	Two systems-OP
8.	Washington, D.C.	FG	30.	Milwaukee	OP		Scranton	
9.	Cleveland	RP	31.	Nashville	OP	50.	Albany/Schenec-	Three systems-OP
10.	Dallas/Ft. Worth	Two systems-OP	32.	Charlotte	OP		tady/Troy	
11.	Houston	Two systems-OP	33.	Buffalo	OP			
12.	Pittsburgh	OP	34.	Providence/	OP/OP			
13.	Miami	OP		New Bedford				
14.	Seattle/Tacoma	City is divided into five parts: (4-OP), (1-BP), Tacoma-OP	35.	Orlando	Two systems-OP			
15.	Minneapolis/St. Paul	OP/UC	36.	Daytona Beach	OP			
16.	Atlanta	OP	37.	New Orleans	OP			
17.	St. Louis	OP/UC	38.	Memphis	OP			
18.	Tampa/St. Petersburg	OP/OP	39.	Columbus	Four systems-OP			
19.	Denver	OP	40.	Greenville/Ashe-	Three systems-OP			
20.	Baltimore	FG		ville/Spartanburg				
21.	Sacramento	OP/OP	41.	Grand Rapids/	Three systems-OP			
22.	Stockton	OP		Kalamazoo/				
	Indianapolis	Two systems-OP	42.	Battle Creek	OP			
			43.	Birmingham	OP			
			44.	Raleigh/Durham	Two systems-OP			
			45.	Oklahoma City	Two systems-OP			
			46.	Louisville	Two systems-OP			
				Salt Lake City	OP			
				San Antonio	OP			
				Charleston/	Two systems-OP			
				Huntington				

Legend

OP — operational
UC — under construction
FG — franchise granted
FP — franchise pending
PS — proposal submitted
RP — request for proposals issued
RFP — request for proposals pending
MO — considering municipal ownership
BP — beginning process

Source: International Thomson Communications Inc.

C4722-2

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

VCR/PPV SQUAREOFF: MONEY TALKS IN HOLLYWOOD

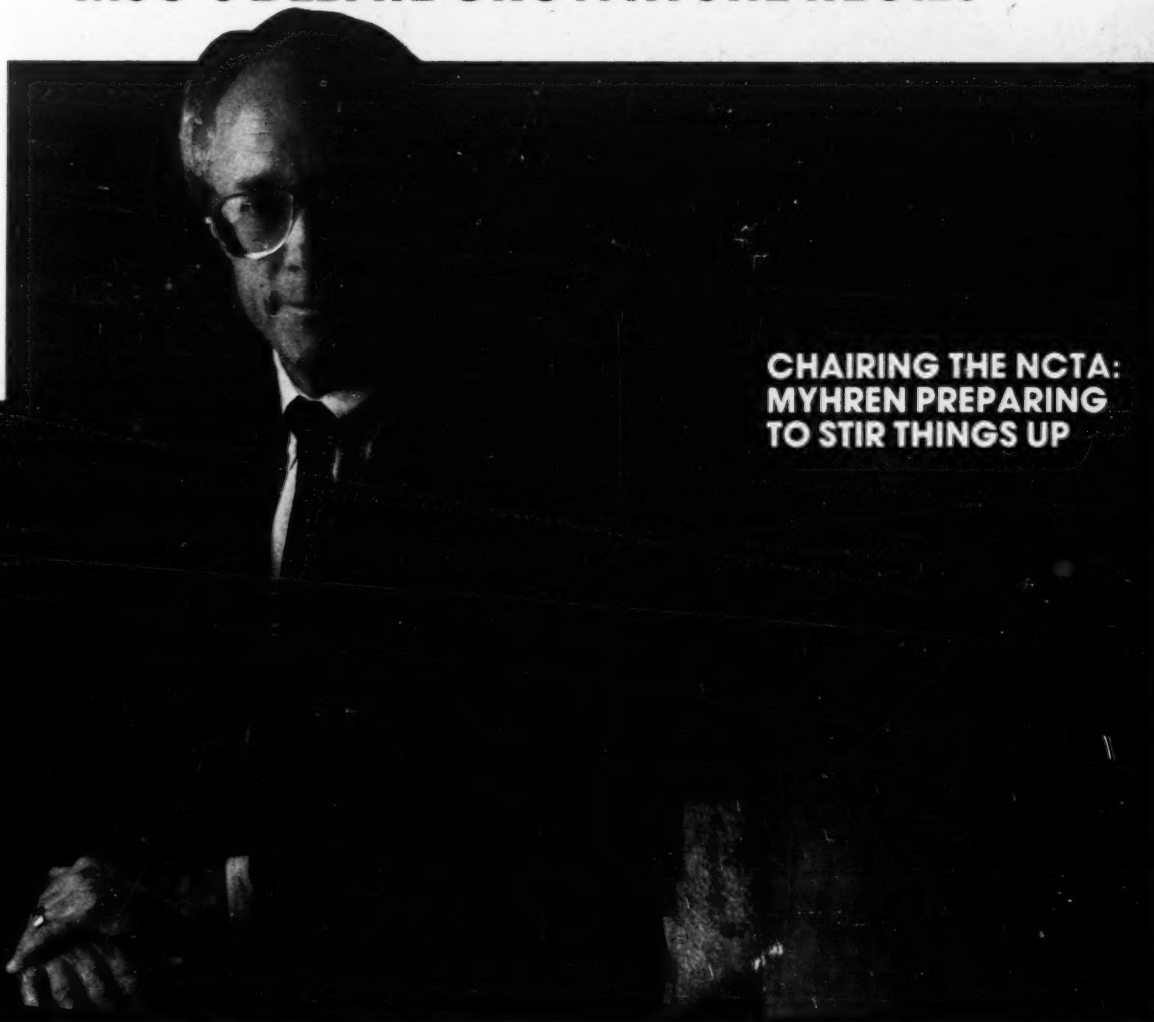
GOODWILL GAMES SLOW TO CATCH FIRE

CANADIANS LEAN HARD AGAINST REGULATORY WALL

SCTE SPECIAL: ENGINEERS LOOK AT NEW DIRECTIONS

**PUBLIC OR PRIVATE?
MSO'S DEBATE GROWTH STRATEGIES**

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**CHAIRING THE NCTA:
MYHREN PREPARING
TO STIR THINGS UP**

CableVision

FRONT LINE

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The VCR/cable debate continued at a recent Kagan-sponsored seminar in Calif. PPV's revenue potential is keeping Hollywood attentive.

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A soft ad market and anxiety over potential problems with the Goodwill games coming off are being blamed for the low sales so far. Turner has to pull out all the stops from here on to keep losses at a minimum.

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Score-ing big 18
FNN/Score has prevailed over initial rocky ad sales and critics alike for a first year that has witnessed a doubling of its affiliate universe.



Bert Carp



Arnie Rosenthal

INTERNATIONAL

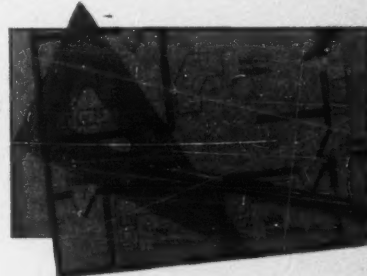
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Trygve Myhren is finally at the helm of the National Cable Television Association and in a broad-ranging interview discusses his call for industry image polishing and other goals for the association.

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	220	4,000,000
Alternate View Network	63	1,221,164
Arts & Entertainment (A&E)	2,200	18,000,000
Black Entertainment Television (BET)	590	13,015,183
Cable News Network (CNN)	9,102	33,501,000
Cable Value Network	20	200,000
C-SPAN	2,100	24,000,000
CBN Cable Network	6,714	30,065,000
Country Music Television	425	6,200,000
The Discovery Channel	614	6,417,994
ESPN	12,113	36,900,000
Eternal Word Television Network (EWTN)	276	4,500,000
Financial News Network (FNN)	1,200	21,000,000
Headline News	3,157	18,039,000
Hit Video USA	NA	NA
Home Shopping Network	324	8,000,000
Innovations In Living (HSN2)	15	2,000,000
The Learning Channel	760	6,600,000
Liberty Broadcasting Network	90	1,292,000
Lifetime	2,753	24,000,000
Music Television (MTV)	3,385	28,000,000
The Nashville Network	3,200	24,700,000
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	4,200	26,000,000
PTL The Inspirational Network	1,300	13,000,000
Pratco	NA	NA
Rock Christian Network	NA	NA
Silent Network	200	6,500,000
SIN Television Network	364	32,758,700
Success-N-Life Network	NA	NA
Tempo Television	608	12,100,000
Trinity Broadcasting Network	423	6,171,000
USA Network	6,500	31,000,000
Video Hits One	640	11,000,000
The Weather Channel	2,019	20,200,000
WGN-TV	7,397	17,681,000
WOR-TV	1,494	5,440,000
WPIX-TV	160	2,500,000
WTBS-TV	10,436	36,078,000

Pay services

American Extasy	6	60,000
American Movie Classics	170	275,000
Bravo	240	360,000
Cinemax	3,300	3,700,000
The Disney Channel	2,958	2,550,000
GalaVision	232	175,000
Home Box Office (HBO)	6,900	14,600,000
Home Theater Network (HTN)	350	300,000
Showtime	3,200	5,400,000
The Movie Channel	3,250	3,250,000
The Nostalgia Channel	98	310,000
The Playboy Channel	580	732,000
Private Ticket	4	NA

Audio services

Cable Radio Network	15	1,100,000
KKGO Super Jazz	15	828,000
Lifestyle	152	1,943,776
Lifestyle AC	15	679,936
Moody Bible Institute	62	748,782
Satellite Radio Network	50	403,000
StudioLine	NA	NA
Tempo Sound	89	1,262,393
WFMT Chicago	154	1,149,000

Text services

AP News Cable	325	4,300,000
AP News Plus	30	700,000
Cable Sportstracker	14	547,000
DBC/MarketWatch	NA	NA
Electronic Program Guide (EPG)	267	5,500,000
EPG Jr.	41	40,433
Genesis Cable Storytime	25	975,000
Reuters News View	325	3,250,000
TV Decisions	120	3,420,000
UPI Data Cable	450	4,000,000
X*Press	58	500,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fuji Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	4	93,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	36	1,045,000
The Ecumenical Channel	7	148,000
KTVT	88	2,022,000
Life Newsvision	24	36,000
Madison Square Garden	67	1,900,000
Meadows Racing Network	14	446,000
MetroChannel	1	118,000
Prime Ticket	36	1,300,000
SportsVision (Chicago)	28	300,000
Texas Cable Network	15	646,000

Pay services

Dodgervision	44	935,000
Home Sports Entertainment—Houston/Dallas	86	135,800
Home Team Sports	68	300,000
New England Sports Network	130	110,030
PRISM-Philadelphia	91	365,000
Pro-Am Sports	104	99,318
SportsChannel (New England)	96	222,082
SportsChannel (New York)	53	433,000
Z Channel	21	95,000

Announced services

Satellite-fed services	Expected Launch
ABC Pay-Per-View service	4th Quarter 1986
Apollo Entertainment Television	TBA
The Book Channel	TBA
The BuenaVision Channel	TBA
Cabletix	4th Quarter 1986
Comedy Television	9/86
Discovery Computer Network	1987
Discovery Financial Network	4th Quarter 1986
Discovery Music Network	TBA
El Canal Musical	4th Quarter 1986
Ethnic Radio Networks	TBA
EventTelevision	7/86
International Business Network	4th Quarter 1986
Magicable	TBA
Movie Time	12/86
Sofcast/National Digital Network	2nd Quarter 1986
The Success Network	-1/87
Telstar Channels	5/86
The Travel Network	4th Quarter 1986

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable State, P.O. Box 5208-T.A., Denver, CO 80217.
NA denotes not available.
TBA denotes to be announced.

† Total SIN reach. Spanish-speaking households 4,114,400.

Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

Going public: Is it time to rethink cable's private ownership bias?

By Virginia Munger Kahn

Continental Cablevision, the nation's eighth largest MSO and one of the biggest cable companies still in private hands, wants to stay private based on a single philosophical conviction—that earnings per share pressures associated with public ownership are antithetical to building shareholder value in a cable television company. "The things that are compelling in this business—acquisitions and highly leveraging one's company"—are diametrically opposed to producing earnings, according to Continental's Treasurer Nancy Hawthorne.

Similar thoughts likely prompted Tele-Communications Inc. CEO John Malone's comments at a Kagan seminar in New York last October when he questioned whether "in the absence of public market value" the cable television industry should be run as a public business.

The question is not merely philosophical, but gets to the fundamentals of the cable business itself. To the extent that the business is a low earnings producer, relying instead on building asset values and cash flows through aggressive acquisition programs involving high debt levels, what is cable television's place in the public market? Is it better conducted as a private business as postulated by Malone and practiced by Continental and many other large MSOs?

The record is mixed, while 13 of the top 20 cable companies are publicly held, public equity has always played only a small role in the industry's total capitalization structure. While historical figures are hard to come by, Bill Collatos, partner in the venture capital firm of TA Associates, proposes that 75 percent of the industry's financing has come from the private sector—either debt in the form of bank and insurance company financing or equity in the form of tax-advantaged limited partnerships.

In recent years that trend has continued. According to Paul Kagan & Associates, from 1982 through 1985, public equity offerings raised \$600 mil-

lion for the industry compared to \$7.6 billion in loans from banks, insurance companies and other private sources. In 1986, even with the current bull market and a flurry of initial public stock offerings, Kagan predicts \$4 billion in new debt compared to \$1 billion

in equity offerings.

The industry's small public equity component largely reflects its immaturity, according to several investment managers and analysts. Cable companies only started going public in the late 1960s and early 1970s when TCI,

Holdings chart

Corp.	No. of Shares Outstanding	Mgmt/Directors Ownership
1) TCI		
Class A	38,700,000	4.6%
Class B	9,300,000	69.7%
2) Time (ATC)	64,000,000	10.7%
3) Westinghouse (Group W Cable)	154,500,000	.6%
4) Storer Communications	42,900,000	100% by SCI Holdings*
5) Cox Enterprises	N.A.	100%
6) Warner Comm.	67,700,000	35%
7) Continental Cablevision	6,700,000	55.86%
8) United Cable Television	24,400,000	10.83%
9) Times Mirror	64,500,000	41.2%
10) Newhouse Broadcasting	N.A.	100%
11) Viacom International	21,000,000	3%
12) United Artists Communications	20,500,000	58.7%
13) Sammons Communications	N.A.	100%
14) Heritage Communications	17,200,000	5.7%
15) Cablevision Systems Corp. and Affiliates†		
Class A	7,300,000	13.5%
Class B	13,700,000	100%
16) Rogers Cablesystems		
Class A	5,100,000	71%
Class B	26,800,000	7%
17) Jones Intercable		
Common	7,500,000	6%
Common Class A	5,500,000	54%
18) Comcast Corp.		
Class A	19,200,000	4.3%
Class B	3,150,000	100%
19) Telecable	N.A.	100%
20) McCaw Communications/ Affiliated Publications	N.A.	100%

NOTES:

* SCI Holdings is owned by 2 limited partnerships of which Kohlberg Kravis Roberts & Co. is general partners.

† Affiliates are a variety of limited partnerships of which Charles Dolan is managing general partner.

American Television and Communications and the predecessor to Heritage Communications initially raised money in the public markets in order to finance growth and take advantage of a strong stock market. At the time, the industry was riding high on a wave of expectations resulting from the industry's first foray out of the countryside into suburban and urban markets and favorable regulatory rulings which included the approval of the importation of distant signals. It was the "end of the beginning" of the cable industry, said Mark Riely, industry analyst at Eberstadt Fleming Inc., borrowing a phrase from Winston Churchill.

But it all came to a grinding halt in the mid-1970s when the world oil crisis hit and sent the economy in general plunging and several cable companies, including TCI, toward the brink of bankruptcy. Needless to say, the flow of initial public stock offerings for cable companies slowed to a trickle.

The next spate of IPOs flowed into the market in the early 1980s, and they have sputtered along through this decade ever since. But only in the latter half of 1985 has the process taken off again. "This is the first big wave of public offerings since the '70s," said Riely.

Flood of offerings

The reasons for this veritable flood—five new cable issues in the last nine months—are as varied as the philosophies and needs of the people who manage these companies—Cablevision Systems, Century Communications, Rogers CableSystems of America, American CableSystems and, once again, ATC. But there are general trends evident in these developments which not only reflect broad changes in how the stocks of many companies across corporate America are valued, but may help answer some of the question of public vs. private for the cable industry. For individual companies, however, the question will always be one of specialized needs and desires.

Perhaps the most significant change in public market values has occurred within the past two years. During this period, American corporations have seen a record number of leveraged buy-outs and mergers and acquisitions as both corporate raiders and managements alike have realized the underlying asset values of many previously undervalued companies. No longer are companies valued solely on the basis of their earnings performance. Just as likely, they are valued on the price the company's assets would fetch if they

were sold in the private marketplace—the so-called backup or liquidation value of a company.

Storer Communications' stock, for example, was selling at \$45 a share in January 1985, just three months before Coniston Partners, also known as the Committee for the Full Valuation of Storer Communications, offered to take over the company, sell off its assets, and raise an estimated \$2 billion in the process, or more than \$90 a share. Storer eventually flew into the arms of leverage buyout experts Kohlberg Kravis Roberts & Co., which took the company private (except for publicly traded warrants) in a deal eventually worth an estimated \$94 a share to the company's stockholders.

"The raiders have brought in a new measure of value," noted Daniels & Associates Chief Executive Officer John Saeman, referring to the T. Boone Pickens' of the world. "(The question is now) what are the underlying asset values in the company really worth?" he said.

Because cable companies rarely measured up to the investment community's idea of what a good public company should do—generate earnings with which stockholders can be paid dividends and upon which future increases in stock price valuations can be based—the shares of cable companies have often sold for discounts from private market value ranging from 30 percent to 50 percent at times. The discount made going to the public markets a fairly inefficient way to raise capital and has likely kept the industry out of the public markets as far as any substantial participation has been concerned.

Discounts closed slightly

However, as a result of the exceptionally strong bull market on Wall Street and the run-up in cable company stock prices in particular, over the past 12 months discounts to private market value has begun to narrow substantially. Several analysts and investment bankers now say they believe cable company stock prices are close to 80 percent or 90 percent of private market value, and one investment banker said he sold all his cable stocks at the end of March, because, in the case of two of them, they were selling "at over 90 percent of private market valuation."

According to figures compiled by Paul Kagan & Associates, public market values for 17 cable companies have closed to within 81 percent of private market value based on 10 times 1986

cash flow for such valuation. However, based on a 12 times 1986 cash flow private market valuation, closer to what almost all medium to large cable systems are selling for currently, public market value falls back to 62 percent; according to Kagan.

Harvey Sandler, head of an investment partnership that bears his name, estimates that in 1985 stock prices moved up 67 percent, while asset values probably rose 20 percent to 25 percent and private valuation edged up 10 percent to 15 percent. The result is a slight reduction in the discount, noted Sandler. "They (discounts) have closed somewhat, but not as much as most people think," he said.

Part of the problem has been that the public market has had to keep up with galloping private market values. Cash flows are up; cable companies are adding more debt in order to make more acquisitions so that asset values are rising, and the private system acquisition market is at a fever pitch.

Spectacular rise

Over the first quarter of 1986, stock prices continued their spectacular rise, gaining 16 percent, or an annualized increase in value of almost 70 percent, according to *Investor's Daily*. "There is a perception of a more attractive business than two or three years ago," said Sandler, pointing to new sources of revenue which have cropped up unexpectedly, such as the Home Shopping Channel and the not-so-expected growth in advertising.

Besides the basic improvement in the business, the job of being public for a cable company has been made easier



John Malone

by the acceptance, finally, among certain sectors of the financial community, of the belief that cable companies should be valued on the basis of their cash flows and underlying asset valuation. "Johh Malone and others have been right all along," said Daniels Saeman, alluding to the fact that the TCI executive has long fought to change the way the investment community views cable's fundamentals.

In fact, many industry financial advisers and executives credited Malone for helping to change the perception of the industry. Even Julian Brodsky, chief financial officer at the Comcast Corp., which has never posted a down quarter in more than 12 years, has been converted. While Brodsky has attributed the change to "sitting on too many seminar panels with John Malone," Sandler says institutional investors convinced not only Comcast but Heritage and Viacom as well that their companies would not be penalized by the investment community for sacrificing short-term earnings in order to make major acquisitions and thereby build asset valuation. As Sandler and many other financial experts in the cable industry see it, leveraging up and building asset value is the best way to run a business and build value for a company's shareholders.

But the entire investment community has not yet been converted to the TCI creed. Analysts and investment advisors who closely follow the cable business have been convinced, but many other media analysts continue to value companies primarily on their earnings, noted Sandler. The problem is particularly noticeable in the valuation of so-called hybrid companies, such as Time Inc., Viacom and the Washington Post, which mix their cable holdings with larger earnings-based businesses. The irony of the discrepancy in valuations lies in the depression in the stock price of a company like Time as a result of its cable holdings, so that it currently sells for 60 percent of its private market value, while spinning off the cable subsidiary will result in Time receiving a far fuller value of almost 80 percent for that unit.

The upshot of the conversion of those who follow the industry to the religion of cash flow and asset-based valuation is that many publicly held cable companies are now running their businesses as if they were, in fact, private — paying no attention whatsoever to their earnings and maintaining a highly leveraged balance sheet, which not only keeps the taxman at bay but also provides the future resources for

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Acquired
By

C4 MEDIA CORPORATION

Cable Television Systems Serving 5,300 Subscribers
with 4,900 Homes to be Passed in Six Eastern
North Carolina Counties

The Buyer was represented by the undersigned

**CHARLES GREENE
ASSOCIATES**

Cable Television Brokerage

1117 Perimeter Center West
Fifth Floor-East Atlanta, Georgia 30338
(404) 392-3331

This notice appears as a matter of record only.
April 1986

Sold:

Overthrust Cablevision

Serving Evanston, Wyoming

Sale represents 2,800
basic subscribers.

Gerry Zimmerman
represented the sellers.

**DANIELS
& ASSOCIATES**

2930 E. Third Avenue
Denver, Colorado 80206
303/321-7550

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flexing the company's financial muscle.

Cablevision's Chief Financial Officer William Bell happily admitted as much when in response to a question on whether being public did not cramp the cable company's style he said, "We totally ignore earnings. Operating cash flow and the capacity to service debt is really what we focus on."

New issues market

If cable stock prices are beginning to approach private market values and cable companies are allowed to run their businesses in a manner designed to enhance asset valuation rather than earnings performances, there really is no advantage of being private, said TA's Collatos. To the extent that the public markets are efficient, raising capital there becomes an attractive financing alternative for cable companies. And many underwriters feel it is a good new issues market as investors have moved into public stocks seeking higher returns than are available in other current investment opportunities.

But there is more to the surge in cable stock issuances than these considerations. Eberstadt's Riely makes the point that the drive to go public is an outgrowth of the already highly leveraged condition many cable companies have found themselves in as they strive to continue growing. "In most cases, these companies have a lot of debt. They need to expand the equity base in order to make acquisitions," he noted.

Arthur Phillips, first vice president at Drexel Burnham Lambert, confirmed Riely's view that many cable companies go public in order to expand their equity base so they can go out and borrow even more money. This has become even more critical as the prices of acquisitions have skyrocketed.

In fact, Cablevision's Bell said that as a result of the prices cable systems are demanding today, the company felt it would be hard to be a major player "without an awful lot of additional capital." While Cablevision may have been able to finance an acquisition of about \$200 million before its IPO, said Phillips, whose company helped underwrite the Cablevision offering, the company can now comfortably fund acquisitions in the several hundred million dollar range.

Still another impetus for going public these days, according to executives and observers, is the desire by original investors in these companies to gain liquidity for their stock. Not only is a



'These companies are being run by the people who should be running them.'

—John Crowley

market created for their shares, but in many cases, recent initial public offerings have included shares held by founding managers of the company. This has enabled Leonard Tow, president of Century, Steven Dodge, chairman of American Cablesystems, and Chuck Dolan, general partner at Cablevision, to "cash out" a certain portion of their original investments.

But the overriding reason for going public for any company remains the desire to gain access to the large pools of capital available in the public markets. Not only do the debt and equity markets provide that access, but because information is more available on companies that are public and their financial resources are more liquid, the costs of money for public companies is generally less than for private companies.

Other advantages to public vs. private ownership are more ephemeral. While TCI's Malone has often spoken of the unfairness of the system of "double taxation" under which public corporations must operate, that is, corporate profits are essentially taxed twice, once at the corporate level on earnings and again at the individual level when dividends or capital gains are realized, the differences in the tax treatment of public and private corporations are really minimal.

One slight difference is that private corporations have generally been more aggressive in sheltering their earnings than public companies, which have naturally sought to try and show as much profit as possible, resulting in higher taxes. To the extent that a pub-

lic corporation can convince investors not to pay attention to net income, tax treatment for both corporations will be essentially the same. "You can play all the same tax angles, as long as you're not worried about earnings," noted Collatos.

Hostile takeover threats

But, despite all the benefits of being public, the threat of a hostile takeover can throw off even the most ardent proponent of being publicly owned. While Viacom Chief Financial Officer Gordon Belt said being public was viewed as necessary for the company in order for it to make acquisitions not only in cable but in other businesses as well, the threat of hostile takeovers has clearly taken its toll. Belt said he continued to believe that a company which focuses on increasing shareholder value can stave off the threat of corporate raiders, yet he admitted that despite trying to do just that and putting in place a series of "shark repellants," the company has once again come under attack by a hostile raider. When asked what was left to do, he said, "We just try to deal with them as they arise."

For most cable companies, however, the threat of corporate raiders is not a reality. Many, including TCI, Cablevision, Rogers, Jones Intercable and Comcast, have created two classes of stock, leaving proportionately more voting power firmly in the hands of management. Therefore, even though some of the smaller cable companies may see their stock prices fall in the

next down cycle and the onset of what would normally be considered a perfect takeover situation—undervalued stock and highly valued assets—these companies are virtually takeover proof at this point in their corporate development.

Moreover, John Crowley, senior vice president at Cable Investments Inc., contended that because the current management in most cable companies are the same people who originally took the company public, maximizing shareholder values is still a primary concern for them. They have not had time to fall into the trap of older companies where the company may be perceived as serving management's pleasure above all else. "These companies are being run by the people who should run them" and as a result, they are less likely to be takeover candidates, he said.

But, despite all the advantages of going public now, many MSOs remain wary. The desire to be the master of one's own destiny and the conviction that the cable business is best run as a private entity where more attractive sources of financing are available continue to drive the decisions by Continental Cablevision and six other MSOs among the top 20 companies in the industry to remain in private hands. "Companies don't have to go to the public markets" to raise substantial capital resources, said Daniels' Saeman, because there are a plethora of financing tools currently available today.

That sentiment was heartily endorsed by Continental's Hawthorne. "We have been able to grow without public equity," she explained, by creating equity internally. That is, as the company's operating income has grown, banks and other lenders have been willing to increase lending to the company, based on a multiple of that operating income.

The only time in the company's history when debt capacity failed to stay ahead of the company's appetite for acquisitions and new franchises was in 1981. The market at that time was good, and the company considered going public. But before it could, Dow Jones offered to become an investor in the company with "a very aggressive bid" for the company's stock, which outstripped whatever the company could have raised in a public offering, said Hawthorne.

Public equity market

Continental, like many other private and public cable companies has found the so-called junk bond market to be a

April 1986

SOLD

ASHDOWN CABLEVISION INC.

Serving 2,050 basic and 980 pay TV subscribers in Ashdown, Foreman and Little River Counties, Arkansas, has been sold to

ENSTAR COMMUNICATIONS CORP.

of Atlanta, Georgia

The undersigned represented the seller in this transaction. This notice appears as a matter of record only.

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401 W. Kennedy Blvd., Suite 100, Washington, D.C. 20007



COMMUNICATIONS
EQUITY
ASSOCIATES

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April 1986

Sold:

Video Properties Inc.

Serving several communities in North & South Carolina

Sale represents 16,000 basic subscribers.

Gerry Zimmerman represented the sellers.

DANIELS & ASSOCIATES

2930 E. Third Avenue
Denver, Colorado 80206
303/321-7550

Financial Services to the Mobile Communications Industry.

hospitable environment. The MSO recently raised \$200 million through such issues to finance a stock buyback program. Combined with its own resources, the company is convinced it can stay out of the public equity market.

"The things that are compelling in this game—major acquisitions and highly leveraging yourself—are 180° away from the management pressures in a public company," said Hawthorne. As part of that equation, she noted that depreciation, the result of major acquisition campaigns, is "terrific" for the industry because of its tax benefits, and that leverage allows the company to do other transactions. While high debt levels are frowned upon in traditionally valued companies, in the cable industry these companies with higher debt levels may signify greater rewards. "The (companies) with more equity are more stable, but they are also less exciting as equity investments," she stated.

John Saeman talked about other negatives to being public—answering to 2,000 people who all feel they know how best to run your business and worrying about unhappy stockholders and what they might do. "There's a lot of negative luggage you have to carry around," he said. "As a private company you control your own destiny." Saeman noted that Daniels recently considered whether or not to go public, but based on the company's growth appetite and its access to capital markets, the company decided it would be able to do what it wanted and still be private.

But even Saeman admitted it was possible Continental and other privately held large MSOs could have more capital and financing at more attractive rates if they were publicly traded.

While Harvey Sandler admitted the investment community has changed the way it values cable companies, he believes, nonetheless, that the industry with its low return on assets, its need for highly leveraging itself in order to achieve value, and its lack of reportable earnings make cable a natural for private businesses. Cable has historically been private and it should remain that way, Sandler said.

According to Sandler, the most compelling reason for going public, the access to large sources of capital, is just as available to private companies. "When all is said and done, people who have money want to be in good businesses," said Sandler. "If it's (cable) as good as people think it is, it'll eventually be owned by the utilities."

NOTES

Scientific-Atlanta reports third quarter earnings

ATLANTA—Scientific-Atlanta Inc., reported sales for the third quarter were \$113 million, an increase of 9 percent over the same quarter last year. Net earnings for the quarter, ended March 31, 1986, were \$678,000, compared to \$4.1 million a year ago. Earnings per share were 2 cents compared to 18 cents for the third quarter last year. New orders totaled \$93.2 million, compared to \$117.2 million a year ago. Third quarter results are consistent with a recent announcement by the company that new orders, sales and earnings for the quarter would be below expectations.

For nine months ended March 31, 1986, sales were up 5 percent to \$336.1 million, and net earnings were \$8.5 million, compared to \$11.5 million last year. Earnings for the nine months were equal to 36 cents per share, compared with 50 cents per share in the same period last year. New orders for the period totaled \$339.5 million, compared to \$347.7 million for the first nine months of fiscal 1985.

At its meeting on May 7, 1986, Scientific-Atlanta's board of directors declared a regular quarterly cash dividend on its common stock of three cents per share. The dividend is payable June 4, 1986, to shareholders of record May 21, 1986.

Comcast reports first quarter earnings

BALA CYNWYD, Pa.—Comcast Corp. reported first quarter results for the first three months of 1986. Revenues for the first quarter were \$30,937,000, up 12 percent from \$27,657,000 for the same period in 1985. Net earnings rose to \$4,353,000 equivalent to 19 cents per share. This represents a gain of 55 percent over net earnings of \$2,804,000 or 14 cents per share for the same period in 1985. Cash provided from operations increased 27 percent to \$9,511,000 from \$7,486,000 for the same period in 1985. On March 31, 1986 working capital reached \$178,562,000. Among current assets was a \$190,240,000 portfolio of cash and short-term investments.

TCI reports first quarter

DENVER—Tele-Communications Inc. reported an 8 percent increase in first

quarter 1986 revenues over the corresponding reporting period in 1985. Revenues for the three months ending March 31, 1986 versus 1985 were \$150,554,000 compared to \$139,386,000. Funds provided by operations before interest expense generated by the company during the quarter ended March 31, 1986 and 1985 were \$65,770,000 and \$58,845,000 respectively.

Net earnings and earnings per share for the three months were \$2,442,000 and 5 cents compared to \$364,000 and 1 cent for 1986 and 1985, respectively. At year end 1985, TCI, through its six wholly-owned divisions and with its various partnerships, served 3,902,000 basic subscribers and 2,823,000 pay TV subscribers in 42 states.

C4 Media acquires Ozark's cable systems

TULSA, Okla.—Ozark Summit Cable Inc. of Marshfield, Mo. has sold its cable TV systems serving Marshfield, Strafford and Forsyth, all in Missouri, to C4 Media Corp. of Vienna, Va. The systems pass 3,570 homes and serve more than 1,400 basic subscribers with 71 miles of plant.

C4 Media Corp. also owns and operates cable properties in Missouri, Kansas and Oklahoma.

ACI Manchester acquires two systems

PROVIDENCE, R.I.—ACI Manchester Inc., an affiliate of Nashville, Tenn. based ACI, formerly Communications Corporation of America, has acquired two cable television systems serving more than 5,000 subscribers.

The systems serve 13 communities located near Manchester, Ky. Following the acquisition, the company plans to consolidate the systems into three headends and increase channel capacity from 12 to 21 channels in each of the systems. With this acquisition, affiliates of ACI now serve approximately 15,000 subscribers in systems located in the southeastern United States.

The systems were acquired for \$4 million which was financed with a combination of senior and seller notes. Rhode Island Hospital Trust of Providence R.I. provided the senior loan in the form of a \$2,625,000 revolving credit/term loan. John Barber and Co. served as the company's financial advisor in the transaction.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

Arts & Entertainment

American Express (R)
Architectural Digest
Armour-Dial (R)
AT&T (various divisions) (R)
Canon (N)
Chevron (N)
Diner's Club (R)
Dole Sorbet (N)
Ford Motor Co. (R)
Fortune Magazine (R)
General Motors (R)
Gillette (N)
Grey Poupon (N)
MasterCard (N)
Metropolitan Life (N)
Mrs. Dash Seasonings (N)
New Yorker Magazine (R)
Natural History Magazine (R)
Pommery Wines (N)
Ralston-Purina (R)
Time Magazine (R)
Visa (R)
Wells Fargo (R)
Zales (N)

BET

American Beauty Products (R)
Anheuser-Busch (R)
Bristol Meyers Co. (N)
C.B. Fleet Co. (N)
Carson Products (R)
Coca-Cola (R)
Columbia Pictures (R)
Eastman Kodak (R)
Ford Motor Co. (R)
General Mills (N)
Hershey (R)
Home Box Office (R)
J.C. Penney (R)
Johnson & Johnson (R)
Jovan (N)
KFC Corp. (R)
M&M Products Co. (R)
McDonald's (R)
Mobil Oil (R)
Nike (R)
Pepsi Cola (R)
Pro-line (R)
Procter & Gamble (R)

Quaker Oats (R)
Seagram Wine Co. (N)
Sears Roebuck & Co. (R)
Thompson Medical (R)
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Warner Bros. Records (N)
Warner Lambert (R)
Wendy's International Inc. (R)

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Northern Telecomm.
Times Fiber
Time Inc.
TLL Temple Foundation

The Discovery Channel

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American Heritage
Antiques Magazine
Architectural Digest
Barron's Weekly
Bird Talk
Bon Appetite Magazine
Business Week
Cat Fancy
Changing Times Magazine
Charles Schwab
Cooking With Bon Appetite
Consumer Reports
Dreyfus Fund
Enchanted World
Esquire Magazine
Esquire Video Products
Family Computing Magazine
Forbes Magazine
Home Magazine
Kent Collectibles
Life Magazine
M Magazine
National Business Employment Weekly
National Geographic World Magazine
Newsweek Magazine
Prudential Insurance
Psychology Today

Saavy Computers
Save The Children's Fund
Smithsonian Magazine
Sports Illustrated
Standard & Poors
Tennis Magazine
The New Yorker Magazine
Time + Life Books
Transamerica Occidental
TV Guide
U.S. News & World Report
W Magazine
Wall Street Journal

FNN

All-American Sports (N)
American Express Gold Card (N)
Anheuser-Busch (R)
Apache Trading (N)
Computer Sports (N)
Diner's Club (N)
Forbes Magazine (N)
Emery Air Freight (N)
Minolta (N)
Northwest Orient Airlines (N)
Paulson Investments (N)
Rolex (N)
Stroh's Beer (N)
United Rare Coin (N)

The Learning Channel

California Beef Council (R)
Charles Schwab (R)
Esquire Magazine (N)
Forbes Magazine (N)
Home Magazine (N)
Speed Mail (N)
Standard & Poor's (R)
Tax Mate (N)
Time + Life Books (R)

Tempo Television

AT&T
Bass Pro Shops
Bayer
Beechnut
Budweiser
Casio
Chum'n Rub
Continental Airlines
Evenflo
Fisher-Price

Gerber
Heinz
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Huggies
Ivory Snow
Johnson & Johnson
Johnson Reels
Johnson Silver Minnow
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Maytag
National Rifle Assoc.
Norelco
Playboy Magazine
Playtex
Redman Chewing Tobacco
Rubbermaid
Sears
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Tropicana
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Valvoline
Vaseline
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The Weather Channel

AC Delco (R)
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Frito-Lay (R)
General Foods (R)
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M&M/Mars (R)
Michelin (R)
Northwest Orient Airlines (R)
Pearle Vision Centers (R)
Proctor & Gamble (R)
Quaker Oats (R)
Quaker State Oil (R)
Ralston-Purina (R)
United Airlines (R)
Warner Lambert (R)

R denotes renewal client.

N denotes new client.

†New and renewal information not available.

*Listing is comprised of program underwriters.

Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.

C4722-2

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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

CABLE NAMED FIRST AMENDMENT PLAYER, BUT BOUNDARIES UNCLEAR

PAY SERVICES' DEALMAKING WAR RAGES ON

OPERATOR PROGRAMMING AWARENESS SEEN AS MARKETING KEY

ANI AND PPV WORKING FOR CENTEL

IS CABLE WINNING BATTLE ON URBAN FRONTIER?

**JUGGLING PIECES OF A BIG MANDATE:
CTAM LEADERS MAP AGGRESSIVE PLAN**



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The must-carry compromise being pushed to a reluctant FCC is going to have a difficult time passing constitutional muster now that the *Quincy* decision has been upheld by the Supreme Court.

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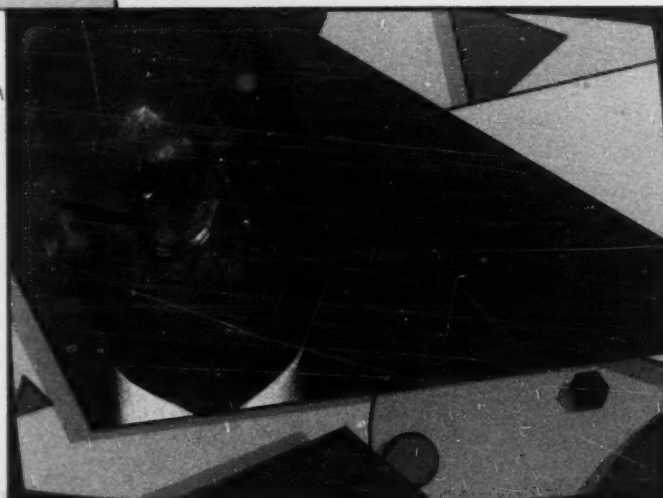
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Pioneer is finding renewed life in the cable business by changing its products and marketing strategy.

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The leadership of CTAM, Rod Thole, treasurer; Victor Parra, executive director; Barry Lemieux, vice president; and Charles Townsend, president, has planned an aggressive strategy for the future, and in a roundtable interview, discusses their projects.



Film product comparison—July

Film	Pay Networks	Distributor	Film	Pay Networks	Distributor
American Dreamer	HBO	(MAX)	Girls Just Want to Have Fun	HBO	New World
Antarctica	(HBO)	HTN	Girls of The White Orchid	HBO	King Features
Apology	HBO		Grease	ST* TMC* (MAX)	Paramount
Ask Any Girl	ST	(MAX)	Greystoke	(HBO) (ST)	Warner Bros.
Asphalt Jungle, The	(HBO)	TMC	Hambone & Hillie	HBO	New World
Avenging Angel			Heaven Help Us	HBO	Silver Screen
Badlanders, The			Heavenly Kid, The		Orion
Bay Boy, The	HBO	(MAX)	Heidi	(ST)	20th Century-Fox
Beverly Hills Cop	ST		High School USA	HBO*	King Features
Big Hand For The Little Lady, A			Home In Indiana		20th Century-Fox
Bill Cosby, "Himself"	(HBO)	(ST) TMC HTN*	Hotel	HBO	Warner Bros.
Blazing Saddles	(ST)	(MAX)	Hot Resort	ST	Cannon
Body Double	(HBO)	(MAX)	Ice Man	(HBO) ST	Universal
Hostonians, The	(HBO)	TMC*	Initiation, The	ST	New World
Brass Ring, The	HBO	(ST) TMC*	Intermezzo		ABC Video
Brewster's Millions	(HBO)	(ST) TMC* (HTN)	Invisible Boy, The	ST	MGM/UA
Bring On The Girls			In Which We Serve	ST	New Century
Bustin' Loose	(HBO)	(ST) TMC	I Own the Racecourse	ST	Transcon
Cannonball Run, The	HBO*	(MAX)	It Happened at the World's Fair		
Cannonball Run II, The	HBO*	(TMC) (HTN)	King in New York, A	ST	MGM/UA
Careful, He			Last Warrior, The		20th Century-Fox
Might Hear You	(HBO)	(ST) HTN	Lifeforce		Warner Bros.
Cat's Eye	(HBO)	HTN*	Little Darlings		Tri-Star
Certain Fury			Lolita		Paramount
Cheech & Chong's The Corsican Brothers	HBO	MAX	Losin' It	(HBO)	MGM/UA
Cheech & Chong Still Smokin'			Lost And Found	HBO	Columbia
Christina			Lost Empire, The	ST	J.G.M.
Cimarron (1960)			Lost In America	(HBO) ST*	Warner Bros.
Cloak & Dagger	HBO	(TMC) HTN*	Love Child	HBO	Warner Bros.
Clown, The			Lovelines	HBO	Tri-Star
Code Of Silence	(HBO)	MAX*	Loving Couples	HBO	TLF
Come Fly With Me	ST		Lucky Night	ST	MGM/UA
Confessions of A Driving Instructor			Mad Max Beyond Thunderdome	HBO	Warner Bros.
Corn Is Green, The	HBO	MAX	Mae West	(HBO) ST	King Features
Deep, The	HBO	(MAX)	Major Barbara		New Century
East Side, West Side			Malibu Express		Malibu Bay
Felcity	ST*	MAX	Man From Button Willow, A	ST	Les Haber Prod.
Final Option, The	(HBO)	TMC*	Man With One Red Shoe, The		
Final Terror, The	(HBO)	ST*	Mask	HBO	20th Century-Fox
Fire In The Stone	(HBO)	(ST) HTN	Massive Retaliation	HBO	Universal
Firestarter	(HBO)	(ST) TMC (MAX)	Meatballs Part II	(HBO)	The Movie Store
Flashborn			Micki & Maude	HBO*	Tri-Star
Flash of Green, A			Midnight Express	HBO	(MAX) Columbia
Fleshburn			Mikey & Nicky	(ST) TMC*	(MAX) Columbia
Fletch	(HBO)	(ST) TMC HTN*	Missing In Action	(HBO) (ST)	Paramount
Footloose			Missing In Action II	(HBO) (ST)	Cannon
Forced Vengeance	HBO	(MAX)	Model Behavior	ST*	Ho-Tel Inc.
Fraternity Vacation	(HBO)	MAX	Modern Times		20th Century-Fox
Funny Lady	HBO		Music Lovers, The		MGM/UA
Gang's All Here, The			Mystery Mansion	(HBO) ST	Pacific Int'l
Ghostbuster's	HBO*	(MAX)	1984	(HBO)	Atlantic
Ghoulies	(HBO)	MAX	Neighbors	HBO	Columbia
			New Kids, The	(HBO)	MAX
			Nightmare On Elm Street, A	HBO	(MAX) New Line
			Night of The Comet		Atlantic
			Night Patrol	HBO	(MAX) New World
			Nightwing	HBO	Columbia
			Odd Man Out		New Century
			Oh, Alfie!		Earthbeam
			Over The Brooklyn Bridge		
			Oxford Blues	HBO	Cannon
			Pale Rider	(HBO) (ST)	MGM/UA
			Passage To India, A	HBO	Warner Bros.
			Police Academy	(HBO) (ST)	Columbia
			Pope of Greenwich Village, The		Warner Bros.
			Private Potter	ST*	(MAX) MGM/UA
			Prizzi's Honor	ST	MGM/UA
			Protocol	HBO	Universal
			Razor's Edge	HBO*	(HTN) Warner Bros.
			Rebecca	HBO	(MAX) Columbia
			Reluctant Debutante, The		ABC Video
			Revenge of The Nerds	HBO	MAX
			Rhinestone	(HBO) ST	MGM/UA
			Richard Pryor Live In Concert		20th Century-Fox
			River, The	(HBO) (ST)	Gary Biller
			Rocky	HBO	Universal
			Romancing The Stone	(HBO) (ST)	MGM
			Rosebud Beach Hotel, The		20th Century-Fox
			Rustler's Rhapsody	HBO*	Almi Pictures
				(ST) TMC	Paramount

Sam Elliott and Cher star in 'Mask,' which makes its pay cable debut this month.



'Prizzi's Honor' starring Anjelica Huston also makes its pay cable debut this month.

Film	Pay Networks				Distributor
Saint Elmo's Fire	HBO*				Columbia
Second Hand Hearts	HBO				Lorimar
Secret of Nimbh, The	HBO	ST		HTN	MGM/UA
Sidekicks			TMC		Warner Bros.
Silent Rage	(HBO)				Columbia
Sinful Davey			TMC		MGM/UA
Skokie	HBO				King Features
Slow Burn		ST*			Showtime
Soldier's Story, A	HBO*				Columbia
Sombrero		ST			MGM/UA
Some Kind of Hero			TMC	(MAX)	Paramount
Spring Fever			TMC		Tournament
Starman	HBO*			(MAX)	Columbia
Star Trek III		(ST)	TMC*		Paramount
Steel	HBO			HTN* (MAX)	Steel Co.
Stone Boy, The			(TMC)	HTN* (MAX)	20th Century-Fox
Story of The Dolls, The				MAX	Platinum
Streets of Fire	HBO		TMC* (HTN)	(MAX)	Universal
Sunday, Bloody Sunday			TMC		MGM
Surf II		ST		(MAX)	Film Gallery
Sword of The Valiant		ST	TMC	(MAX)	Viacom
39 Steps, The			(TMC)	HTN	S. Goldwyn
Tank	(HBO)	(ST)	TMC	(HTN) (MAX)	Universal
Tell Me That You Love Me	(HBO)			HTN	The Movie Store
Terminal Choice	HBO				Almi Pictures
Tex	(HBO)	ST	(TMC)	(HTN) (MAX)	Touchstone
Three Little Words			TMC		MGM/UA
Topper		ST	(TMC)		Hal Roach
Toy Soldiers			TMC		New World
Trancers	HBO				Vestron
Tunes of Glory			(TMC)	MAX	New Century
Twilight Time	HBO		TMC		MGM/UA
Two Weeks In					
Another Town			TMC		MGM/UA
Under The Volcano	(HBO)		TMC		Universal
Untamed				HTN*	Universal



'Mad Max Beyond Thunderdome' starring Tina Turner makes its pay cable debut in July.

Film	Pay Networks				Distributor
Until September		ST	(TMC)		MGM/UA
Ups and Downs		(ST)	TMC		David Armstrong
Utilities			(TMC)	HTN	The Movie Store
Vamping			TMC*		Atlantic
View To A Kill, A	(HBO)			HTN* (MAX)	MGM/UA
Way Out West		(ST)	TMC		Hal Roach
Who's Afraid of Virginia Woolf			(TMC)	HTN*	Warner Bros.
Wildrose	HBO				Troma
Wise Blood			TMC		New Line Cinema
Wizards			TMC*		20th Century-Fox
Woman In Red, The	HBO			(MAX)	Orion

Cable Network Legend:
HBO-Home Box Office
ST-Showtime
TMC-The Movie Channel
HTN-Home Theater Network
MAX-Cinemax

■ Networks in parentheses indicate carriage in February, March, April, May and/or June.

■ An asterisk indicates the film is a carry-over from February, March, April, May and/or June.

■ In total, 176 films appear on the July schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, six have played on all five services, 15 have played on four of the five services, 22 have played on three services and 56 have played on two of the five services. Seventy-seven titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV this month is MGM/UA with 29, followed by Columbia with 17, Warner Bros. with 15 and 20th Century-Fox and Universal with 14 each.

■ Titles subject to change.

Mirage or reality?

Some see breakthrough in urban cable, but penetrations remain low

By Virginia Munger Kahn

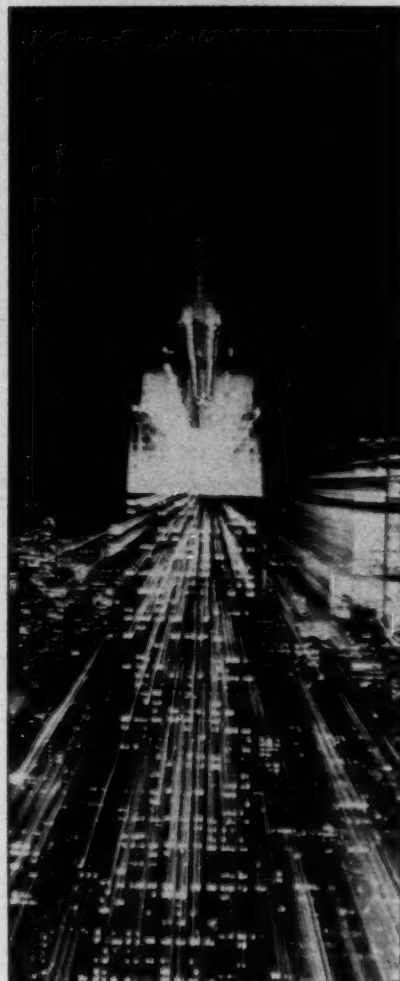
On the surface, despite the many contract dispensations won by operators in the urban cable environment, big-city cable remains a rough way to make a buck. But evidence abounds that the urban frontier, where many believe the future of the industry is at stake, will be tamed, thanks in large measure to lessons learned from the hard knocks of early going in the major newbuilds of the '80s.

Fortunately for the industry, the evidence on the plus side is being taken to heart by the financial community at a time when completion of the massive American urban wiring project has been threatened by repeated delays in getting the remaining city newbuilds underway. With virtually every unwired city in the U.S. now assured of the funding to get the job done, the industry can look forward to having the essential household base from which to make its drive for the top rung in television.

The availability of these funds, for so long questioned by outside observers who kept asking over the past two years whether Philadelphia, Washington, D.C., Cleveland, Chicago, New York, et al would ever get built, is a remarkable development. Few of the urban systems completed in the past three years are anywhere close to profitability. The return on investment that makes a project finally worth capital costs is still five to seven years down the road for most of these operations, and penetration levels remain discouragingly low—rarely rising above 40 percent in systems completed within the past two years.

Yet there is a generally upbeat assessment of urban cable today echoed by many operators and industry observers. They credit significant changes in the relationship between cities and cable companies for much of the improved outlook, along with the growing base of knowledge within the industry on how to operate in this unique environment.

"My impression from talking with other cable operators in major mar-



New York

kets," said Steve Kniffin, president of Mile-Hi Cablevision in Denver, "is that each system is different and that they (cable operators) are on a learning curve." In other words, operating a big city system in Seattle is different from operating one in Denver or one in Dallas, that the industry is just now beginning to accumulate the knowledge it will need to make these systems successful.

That the marketplace has changed is evident in the newbuilds that are undergoing construction now compared

to those that were bid and won in the early 1980s. Unshackled from onerous requirements for huge capital outlays in the form of I-Nets, access facilities and dual cable plant, newbuilds in Milwaukee and the outer boroughs of New York City are viewed favorably by the financial community.

"There are an awful lot of attractive newbuilds out there now," said one banker. While the Milwaukee cable system under construction by Warner is not cash flow positive yet, it is ahead of projections and "a huge, huge success," this source said. The outer boroughs of New York also are "a very attractive market" for the company, she said.

John Reidy, a long-time industry analyst with Drexel Burnham & Lambert, also is bullish on the future of cable in the urban environment, seeing it provide an "attractive internal rate of return in the low teens" not only as a result of successful basic and pay services but also because of new services like home shopping channels and movie channels contemplated by companies such as TCI for some of its major markets. However, he cautioned that this rate of return would not include the initial investments made in some of these systems. While he said that investment, which in many cases has been prodigious, could not be ignored, he considered it a "sunk cost" and that "what counts now is the return in the future. If you've already spent the money, you can do just as well holding onto the property as selling it and investing elsewhere," he said.

Community needs

The choice has always been one of simply selling off the system and swallowing the losses or holding on to the system and hoping to recoup at least some of that initial investment by turning it into a profitable operation. Bill Bresnan, who heads up his own cable company today and is the former head of Group W Cable, noted that several of the systems the company considered "real trouble spots" in the 1960s such as Seattle and the Bay

Area in San Francisco have since turned into highly profitable operations.

Just how real the turnaround in the industry's urban fortunes has become in the eyes of insiders was demonstrated late last year in the effort mounted by Warner Amex executives to acquire the company's cable operations. Just two years earlier, those executives, including Drew Lewis, Jack Messman and John Fowler, had walked into a company bleeding \$150 million in red ink, primarily as a result of poor performance at seven large metropolitan cable systems. Not only did they have confidence that the corner had been turned to the point they were willing to put capital on the line to gain control of the company; Warner Communications also had a bouyed outlook, to the point that the company chose to stay in cable, urban systems and all, leaving the would-be bidders out of luck.

While Warner sold off its two most troublesome major city newbuilds—Pittsburgh and Dallas—it has clearly reached the conclusion that from here on, returns on investments in its other big systems promise to be at least as good as those it would garner by selling off those systems and putting the money elsewhere. Moreover, for the buyers of Warner's systems in Pittsburgh and Dallas—Tele-Communications Inc. and Heritage Communications, respectively—those businesses are already perceived as improved with expectations high that they will generate solid returns.

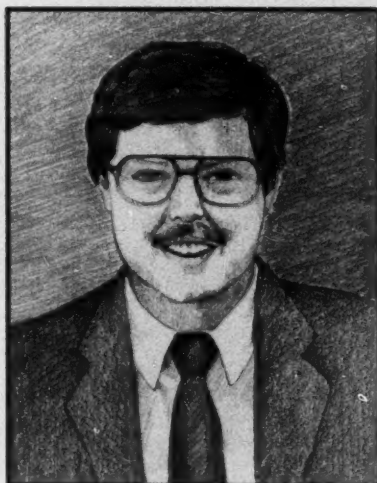
But, while most observers and industry participants are optimistic about the future, outward signs point to a slow and difficult climb out of the urban cable basement.

"GROWTH"

"We believe much of our growth in recent months is due to switching back to SuperStation WTBS.

We had taken it off in 1983 because of the 3.75 CRT, but subscribers kept asking us to bring it back.

They especially wanted the sports, because Billings is a big baseball community. So in October, 1985, we switched off a distant independent and switched SuperStation WTBS back on. It's created a lot of good will from other business people and city leaders, not to mention the good effect on customer relations. It's been a big plus."



Les Harris, System Manager
Montana Video (TCI)
Billings, Montana

MAKE THE SWITCH THAT
MAKES A DIFFERENCE.

**SuperStation
WTBS**

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For example, among eight cable systems surveyed for this article there were penetration rates of 18 percent for the Miami cable system, 26 percent for Denver's Mile Hi system, 28 percent for Minneapolis, 30 percent for the Copley/Colony system in Los Angeles and 38.5 percent for the Houston cable system. All of these newbuilds were completed in 1985 or 1986. While an executive with the Miami system noted the entire franchise has not yet been marketed, representatives from each of these systems expressed disap-

pointment with the numbers.

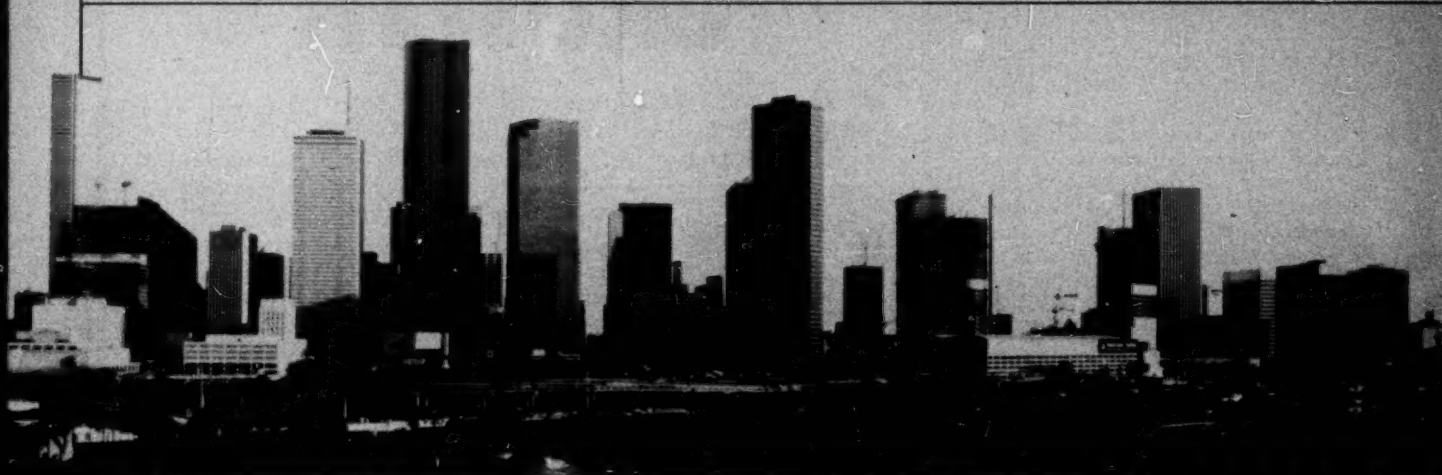
However, trends evident in the two older cable systems in the survey—Pittsburgh and San Antonio—and the newest addition to the survey—the Scripps Howard system in Sacramento—are encouraging. In the case of Pittsburgh, penetration rates have risen to 51 percent over the past 18 months since TCI took over the system, after remaining flat at 45 percent during the last year of ownership by Warner Amex. San Antonio also boasts a penetration rate slightly above 50 percent in its cable system, construction on which was completed in 1981. The industry average for penetration as a function of homes passed is 56 percent, according to *CableVision* statistics.

Superb relationship

Moreover, the Sacramento system is starting out on the right foot with a 45.2 percent penetration rate among homes that have been marketed. Dick Davis, the system's new chief executive officer, and the former general manager of Warner Amex's Dallas cable system, credits the company's performance to a "superb" relationship with the city, service offerings that are simple to understand, an experienced staff and a receptive market. Unlike many urban systems, the population and economy in Sacramento are con-

8 Urban Systems at a Glance

	Franchise Let	Const. Completed	Plant Mileage	Potential Households	Basic Subs	Pay to Basic Ratio
San Antonio/Rogers	1978	1981	3,096	400,000	201,000	142%
Houston/Warner	1979	1984	4,500	500,000	192,500	114%
Pittsburgh/TCI	1980	1984	830	165,000	84,517	130%
Miami/TCI and Americable	1981	1985	624	120,000	25,000	120%
Denver/ATC; Daniels	1982	1986	1,200	300,000	52,000	146-150%
Minneapolis/Rogers	1983	1985	633	170,000	47,000	85%
Los Angeles/ Copley; Colony	1983	1985	300	40,000	12,000	191%
Sacramento/Scripps Howard	1983	1988 (Targeted)	3,000 (When Completed)	400,000	16,714	—



Houston

sidered stable, and there are fewer distractions in Sacramento than other cities, said Davis. With just 20 percent of the total 3,000-mile plant built at this time, Davis said the company expects to break even on a running cash flow basis in August, and cash flow margins should hit 36 percent to 38 percent by the end of next year.

The healthier penetration rates for San Antonio and Pittsburgh represent an obvious point when considering the performance of the newer cable systems, namely, it takes time to build a subscriber base. The classic cable systems that today boast penetration rates above 60 percent did not start out at those rates.

Many urban cable operators, however, are not satisfied with that explanation, saying even though it takes time to develop a cable system, penetration rates have been less than what their companies had hoped for. "We were definitely hoping for more," said Jay Van Riper, general manager at Copley/Colony's Los Angeles Harbor systems, where penetration rates on the three-year old system hover around 30 percent. At this point in its development, the system's owners figured penetration rates would be up in the 40 percent to 50 percent range.

Van Riper blames the low rate on the system's failure to provide its market with attractive programming. Approximately 60 percent of the system's potential customers are Hispanic. "We essentially don't have anything on basic that satisfies their needs," said Van Riper, noting that the system's high pay-to-basic ratio of 190 percent is due primarily to heavy penetration of Galavision. In order to try to meet those needs, Van Riper is planning to roll out more local origination programming. And, in a novel twist to audience re-

search, the system called in owners of local video stores to find out what the community rented most often. "They've been very cooperative," he said.

Tapping into the large Hispanic market in San Antonio is also the goal of the Rogers cable system there. While the system boasts a penetration rate of just over 50 percent, Missy Goerner, director of programming for the system, noted that the Hispanic population is substantially under-represented in the system. Hispanics constitute 54 percent of the city's population, but only 35 percent of Roger's subscribers. "For an urban market, we think we're well penetrated, but we feel we should be able to pass 60 percent penetration," she said.

Trouble spots

In fact, the ability to market to diverse ethnic groups is probably one of



Missy Goerner

the most difficult challenges confronting cable operators in the urban market these days. In many new systems, from Los Angeles to Miami, catering to the needs of these communities has involved a slow learning process. For example, operators have had to learn how to print program guides in both English and Spanish, hire bilingual customer service representatives, and seek new programming that will satisfy that community's particular needs.

A multitude of other reasons are cited for low penetration rates, some of which are generally true of the urban market and others of which affect specific systems.

In the case of Warner's Houston system, generic and specific factors converge to make a difficult operating environment. Like many cities, there are a plethora of over-the-air broadcast stations, numbering 10 in Houston's case. Also, like many cities, churn and move rates play havoc with the system's attempts to attract and maintain subscribers. The system reportedly experiences a move rate of 34 percent a year, which means that 65,000 subscribers have to be replaced annually.

In addition, the economy in Houston has taken a nosedive over the past year and the effects on the cable system have been severe. According to system spokesman Jim Leach, when Warner first started operating in the city in the early 1980s, the household occupancy rate was in the 90 percent or better range. Today, approximately 15 percent of the homes passed by Warner are vacant. Leach estimates that if the penetration rate was calculated based on homes occupied rather than homes passed, the system's level would be a more respectable 46 percent rather than 38.5 percent.

But, despite the less than ideal environment, Houston cable generates some \$64 million a year in revenues and \$20 million a year in cash flow, for a margin of 31 percent. Average revenue per subscriber hovers around the industry norm of \$19.

While declining to confirm the figures, former Metro Division President John Fowler recently discussed what he considered the keys to turning around not only the Houston cable system, but other large urban cable systems for Warner as well. One of the most significant contributions Warner Amex has made to the cable industry, to the extent that it is picked up by others, said Fowler, has been to train managers to run these huge systems and to implement the policies and procedures for managing the large volumes of equipment and customers that accompany such large plants. In Houston, for example, the system received 100,000 phone calls a month and 500,000 work orders a year from its subscribers.

"When you take into consideration the phone calls, the move rate, the



Dick Davis credits the company's performance to a 'superb' relationship with the city.

truck rolls, it's no longer the same type of system as that in Altoona," Fowler said. "It's a real industrial engineering problem. If you don't deal with the work orders, you create a backlog and your phone (calls) go through the roof. You can lose control. What we learned to do was to manage the volume."

Most urban cable systems have traditionally run through their general managers like they were going out of style. They think they're going to apply their experience to the urban system, but clearly, their experience in no way has prepared them for running a facility the size of Houston, Fowler said. Fowler admitted that Warner brought some of its problems on itself, but at this point in time, he contended, the Cincinnati and Houston systems are doing as well as any other system in terms of their financial and operational performances.

Capital commitments

Still another key area in turning Warner around, according to Fowler, was in re-evaluating the capital commitments the company made in terms of access studios and the Qube system, and then going back to the cities to renegotiate those commitments.

Studies conducted by Warner using Qube viewership monitoring techniques showed that viewership to the

access channels was less than 10 minutes per week per household. Considering the tremendous sums of money that were committed to such facilities, it was clear those commitments had to be re-thought, said Fowler.

As far as the Qube system was concerned, "the technology changed" in the period from when the systems were first proposed and when the franchises were off and running, noted Fowler. While the technology proved "terrific" for status monitoring on the plant, the upstream drop to the home would be better served by a telco modem, he said. In fact, the Houston cable system has essentially pulled away from Pioneer's Qube two-way technology in favor of the installation of the manufacturer's one-way addressable system in many homes. Houston Cable's Leach said the change-out offers the system savings on its 500,000 truck rolls per year plus a plethora of marketing options, such as parental control, compatibility with VCRs and cordless remote control.

When TCI took control of the Pittsburgh system, one of the first things it did was to yank out the Qube system and replace it with a Scientific-Atlanta addressable box. Ironically, according to a spokesman for the Pittsburgh system, the personal contact involved in doing the change-out is credited with

"PENETRATION"

"Since we switched out a Boston affiliate for SuperStation WTBS, we've had a very positive response from subscribers. As part of our enhanced Basic package, WTBS helped increase penetration from 71% to 73%, in spite of a \$2.00 rate increase.



Jeff Darrell, Vice President-Marketing and Programming Public Cable (ATC) Portland, Maine

SuperStation WTBS has been very aggressive in providing a top quality programming mix, including an excellent movie and sports package. Awareness in the market is high because of cross-promotion on CNN and Headline News. These cross-promotional opportunities help us do a good marketing job."

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increasing the system's penetration rates. He also credited the simplification of offerings for an increase in subscribers from 74,000 at the time of the sale to TCI in October 1984 to 84,517 today. "The personal contact was important, it reinforced good relations," he said.

Warner Amex executives are fond of pointing out that it was they who initially renegotiated the Dallas franchise, allowing Heritage to take over a system unburdened by unreasonable requirements and that had the Pittsburgh city government been willing to do the same they would have been able to make a success of that system as well. "We didn't know how successful we would be in renegotiating," said Fowler. "Had we known, we would have had \$8 million to \$9 million in cable cash flow (in Pittsburgh)... Certainly enough to pay off the plant. We had the revenue. We just needed to eliminate the expense."

Psychological pressure

But the fact was that the city government was not willing to let Warner Amex, in essence, break the contract it had signed with the city just four years earlier by allowing them to renegotiate the franchise. "You find that the city will do it for someone else, but not for the original franchisee," said Fowler. While Warner succeeded in putting psychological pressure on the city to approve the changes under threat of simply walking away from the system, in fact, Warner had few options in the Pittsburgh market, where the urban system was completely surrounded by suburban cable operations owned by TCI. This closed off whatever option Warner had for expanding into the suburbs to spread the system's capital costs over a larger subscriber base.

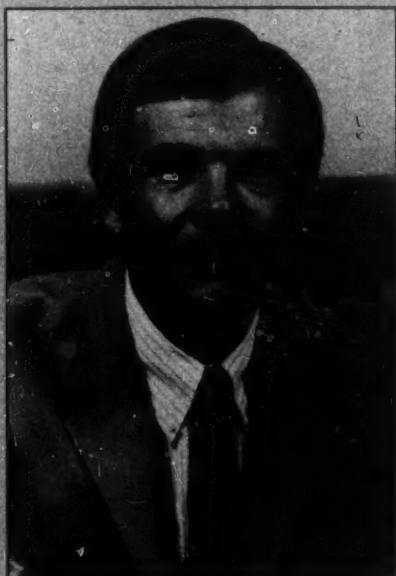
In the end TCI succeeded in getting the city to approve the transfer of the franchise while cutting back significantly on public access requirements and shutting down the second cable on the dual-cable system. Having paid \$93.4 million for the system, on which Warner was said to have spent \$100 million to construct, the Pittsburgh system is expected to pay off handsomely for TCI. In fact, according to Peter Barton, TCI senior vice president, Pittsburgh has already "turned out to be an enormously profitable acquisition" for TCI. After operating at a loss for several years, the system became cash flow positive within the first four months of the company's operation.

According to Barton, the city also has benefitted by not burdening the

system with millions of dollars in capital costs before the operation ran as a healthy business. "The city let us get our house in order," he said. "They spread some crumbs over the water, and now we're buying Pirates games and starting a super LO channel."

In fact, the change in the way that city governments deal with cable operators may be one of the most significant factors in bolstering industry optimism about the urban marketplace. All the operators contacted for this article said their relationship with the city has improved markedly over the past two years.

While some systems have had little trouble with their municipal regulators all along—such as Rogers' San Antonio system and Copley/Colony's Los Angeles system—most operators in major urban markets have gone through extremely tough times with their local government. Steve Kniffin, of Mile Hi Cable, which had a long running battle with the city council, noted relationships with city politicians need

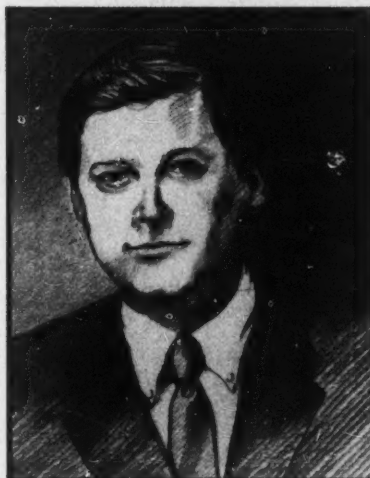


The industry is just now beginning to accumulate the knowledge it will need to make these systems successful.

—Steve Kniffin

"SUPPORT"

"We switched out a Philadelphia independent for SuperStation WTBS because WTBS proved to us that they could give us the research and marketing support we needed."



Timothy P. Martin
Area General Manager
Tri-System (TKR)
Warren, New Jersey

They gave us programming comparisons that made the switch desirable to both subscribers and political leaders. Then they helped us with market research, launch support, a direct mail package, and more. Now we're getting letters from subscribers thanking us for making the decision. SuperStation WTBS made it easy for us to do the right thing."

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to be built just like the plant.

"After the franchise is let, you have a lot of concepts about what it's supposed to look like, and so do they," he said. "It's a learning curve." As one banker noted, "The cities have realized that unless cable companies can make a decent return, they are not going to build" in these markets.

Key to improving the relationship, however, has been improved operating performances by the systems themselves. "When you're not delivering services to subscribers, the city gets very upset," noted Warner's Leach. Despite the fact that Houston is a good city to do business in because it undertakes very little regulation, Leach said the lack of rules, in fact, led to increased tension between the parties when the system was not performing well. Now that those service problems have been cleared up, said Leach, the relationship with the city has progressed to the point where the issues under discussion are far more substantive, such as regulatory issues, rather than issues related to the system's inability to deliver services. "It's a natural progression," he said. "Once you get past the day-to-day, you make service a transparent issue."

One system which has had little trouble with city regulators has been Rogers' San Antonio system. Accord-

ing to Goerner, not only has that been a function of a reasonable franchise—San Antonio was one of the first urban franchises granted—but for the last 10 years, the city has demonstrated a pro-business attitude with a very aggressive approach to drawing in new business. The cable company, in turn, has hired several former city staffers, who bring to the company a unique understanding of what the city wants and how it operates. Goerner herself is the former director of economic development for San Antonio, while one of the system's first general managers was also a city manager.

Improved performance

Between the improved performance of cable operators in the urban marketplace and their healthier relationship with city administrators, it's no wonder the industry is bullish about its future in the urban environment. While the market remains unique in terms of its marketing requirements and operational processes the industry has gained almost five years experience in running such systems. Even those systems that are generally considered to be "in trouble" are on their way toward reorganization and recovery, according to several industry executives. Yet there are still potential crises



San Antonio

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ahead. Roger's Minneapolis system recently raised a yellow flag of warning that it was facing serious shortfalls in cash income over the coming year. And, despite TCI's extremely conservative approach to developing the Chicago market—the company is projecting only a 25 percent penetration rate in assessing its capital commitments to the city—the jury is still out on how successful that system will be.

Nevertheless, industry executives like TCI's Peter Barton and Warner's John Fowler are confident in the market, the industry and the companies that are trying to forge ahead into the complex world of urban newbuilds. Barton said he's willing to bet anyone at least \$100 that existing urban franchises that are "less than robust" (read—"in trouble") at this time will all be healthy businesses in three years.

\$450 million gamble

Fowler was willing to make a bit more expensive bet. He and his high-flying colleagues at Warner Amex were willing to put up at least \$450 million on the gamble that Warner Cable would be a successful business in the future. As Fowler sees it, the urban marketplace is the industry's future. Once all the top 10 media markets are wired in 1988 or 1989, he believes television viewing habits will change substantially. That belief is based on Qube measurements on more than 500,000 households that showed that whenever cable is available, the broadcast networks never got even 50 percent of the viewing audience.

These findings portend major changes not only in viewing habits, but in the advertising community as well, which will necessarily re-evaluate the network advertising environment. Cable systems are likely to see a burst of advertising revenues at that time and cable networks are likely to seek to position themselves on lower channels.

"In the long run, urban systems will be at least as profitable, if not more so, than the little cable systems in backwoods America," said the former Warner executive. "These systems require a level of service that is much higher than older cable systems, but if you deliver it, you get higher revenues, higher cash flows. While the margins on cash flow are not there yet, they will be as these systems really begin to mature.

"I've spent a lot of time thinking about all this," concluded Fowler. "Why do you think I wanted to buy the company?" ■

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
Cable Radio Network	4
CBN Cable Network	8
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	4
Genesis Storytime	8
HBO (West)	13
HSN2	2, 16
HTN	16
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Reuter Monitor Service	18
Showtime (West)	10
Studioline	19
Tempo Television	6
TV Decisions	24
Trinity Broadcasting Network	3
Video Hits One	15
Viewer's Choice	5
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
Biznet	6
Bravo	2
C.O.M.B. Value Network	2
Hit Video USA	18
Home Sports Entertainment	11
Home Team Sports	22
Innovations In Living (HSN2)	1
Liberty Broadcasting Network	7
Madison Square Garden	6
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	12
Pratco TV Shopper's Showcase	14
Prime Ticket	20
Rock Christian Network	3
The Silent Network	8
SportsVision	9
WPIX - New York	19

Westar III (Western Union)

Transponder

CNN	5
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Westar IV (Western Union)

Transponder

Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Telstar 303 (AT&T)

Transponder

American Extasy	19
Country Music Television (CMTV)	18
KTVT (Dallas)	22
SelecTV	13

Galaxy I (Hughes)

Transponder

Alternate View Network	22
CBN Cable Network	11
Cinemax (East)	19
CNN	7
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	5
Showtime (East)	5
SIN	6
Studioline	13
WGN	3
WOR-TV	15
WTBS	18

Galaxy III

Transponder

The Meadows Racing Network	17
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Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1.	Tele-Communications Inc.	3,778,621 (11/85)
2.	American Television and Communications Corp.	2,700,690 (2/85)
3.	Group W Cable	2,162,000 (10/85)
4.	Continental Cablevision	1,186,000 (4/86)
5.	Storer Cable Communications	1,546,000 (3/86)
6.	Cox Cable Communications	1,331,814 (5/86)
7.	Warner Cable Communications Inc.	1,158,805 (10/85)
8.	United Cable	999,000 (3/86)
9.	Newhouse Broadcasting	972,377 (4/86)
10.	Times Mirror Cable Television Inc.	893,374 (2/86)
11.	Viacom Cablevision	829,000 (1/86)
12.	James Interchange	772,148 (5/86)
13.	UA Cable Systems Corp.	735,431 (2/85)
14.	Heritage Communications Inc.	725,425 (4/86)
15.	Sammons Communications Inc.	706,609 (12/85)
16.	Cablevision Co.	601,300 (2/86)
17.	Rogers Cable Systems Inc.	583,369 (11/85)
18.	Comcast	568,711 (3/86)
19.	Telecable Corp.	467,941 (3/86)
20.	McCaw Communications	379,800 (4/86)
21.	Post-Newsweek	360,000 (2/86)
22.	Centel Cable	340,000 (5/86)
23.	Prime Cable Corp.	346,023 (12/85)
24.	Cable Vision Industries	330,883 (4/86)
25.	American Cable Systems Corp.	323,187 (4/86)
26.	Century Communications Corp.	318,060 (12/85)
27.	Wometco Cable TV Inc.	308,427 (7/85)
28.	Falcon Cable	302,000 (6/86)
29.	Daniels & Associates	299,227 (4/86)
30.	Multimedia Cablevision	278,113 (5/86)
31.	Scripps Howard	269,183 (4/86)
32.	TCA Group	255,869 (5/86)
33.	Tribune Cable Communications	245,079 (3/86)
34.	Maclean Hunter Cable TV Ltd.	233,871 (12/85)
35.	Colony Communications Inc.	216,320 (7/85)
36.	Adelphia Communications	210,898 (4/86)
37.	Rollins Cableview Inc.	206,000 (4/86)
38.	Service Electric Cable TV Inc.	196,000 (12/85)
39.	Communications Service Inc.	179,000 (2/85)
40.	Western Communications	175,845 (12/85)
41.	TKR Cable Co.	172,026 (3/86)
42.	Sutton Capital Corp.	166,561 (2/86)
43.	Cable Entertainment	161,436 (11/85)
44.	TCI-Tel	161,138 (2/86)
45.	Rifkin & Associates	155,193 (2/86)
46.	Adams-Russell Communications	151,449 (5/86)
47.	Concom Cable	150,867 (5/86)
48.	Harte-Hanks Communications	144,514 (2/86)
49.	Harron Communications	132,644 (7/85)
50.	Buckeye Cablevision	126,047 (4/86)
51.	Lenfest Group	125,731 (2/86)
52.	Greater Media Cable	124,662 (3/86)
53.	Harris Cable Corp.	122,955 (4/86)
54.	Armstrong Utilities	120,061 (2/86)
55.	Televents Inc.	117,787 (3/86)
56.	Sonic Communications	109,916 (3/86)
57.	Summit Communications	109,775 (5/86)
58.	Media General Inc.	107,440 (2/86)
59.	Communications Systems Inc.	107,000 (4/86)
60.	The Essex Group	105,166 (5/86)
61.	Multi-Channel TV Cable Inc.	101,874 (4/86)
62.	U.S. Cable Corp.	98,900 (3/86)
63.	First Carolina Communications Inc.	94,100 (2/86)
64.	Simmons Communications	91,890 (2/86)
65.	King Videocable	91,373 (4/86)
66.	Perry Cable TV Corp.	90,215 (1/86)
67.	McDonald Group	90,079 (8/84)
68.	Marcus Communications	83,588 (4/86)
69.	Cable Management Associates	88,201 (1/86)
70.	WEHCO Video Inc.	83,511 (1/86)
71.	Booth Communications	82,482 (8/85)
72.	Marcus Communications	83,588 (4/86)
73.	Palmer Communications	80,449 (7/85)
74.	Midcontinent Cable Systems Co.	75,848 (5/86)
75.	Omega Communications	74,213 (8/85)
76.	Susquehanna Broadcasting	72,235 (1/86)
77.	Pencor Services Inc.	71,525 (2/86)
78.	Northland Communications Corp.	68,000 (4/86)
79.	Clear TV Cable Associates Ltd.	63,024 (2/86)
80.	Selkirk Communications	62,000 (2/86)
81.	National Telecommunications Corp.	61,825 (1/86)
82.	The Daily Press	60,100 (8/86)
83.	Marsh Media	57,698 (7/85)
84.	Helcon Corp.	55,000 (2/86)
85.	Mountain Cable Co.	55,000 (4/86)
86.	Manada Corp.	54,570 (2/86)
87.	Acton Corp.	54,529 (2/86)
88.	United Video Management	51,120 (2/86)
89.	Wisconsin Cablevision and Radio Co.	49,153 (1/86)
90.	Chambers Cable Comm. Inc.	48,443 (4/86)
91.	Comincom	47,894 (1/85)
92.	State Cable TV	45,922 (2/86)
93.	Breman Communications Co.	44,800 (2/86)
94.	Tale-Media	44,506 (7/85)
95.	Joseph Gans Cable T.V.	43,838 (3/85)
96.	Cable Holdings Inc.	42,344 (2/86)
97.	Dunrey Cablevision	42,259 (2/86)
98.	Dowden Communications	42,100 (4/86)
99.	North American Comm. Corp.	37,710 (8/86)
100.	Enstar Communications	35,630 (4/86)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention Cable Stats, P.O. Box 5206-T.A., Denver, CO 80217.

Top 100 systems

Rank	Location	Operator	Basic subs
1.	Woodbury (Long Island), NY	Cablevision Co.	342,783 (4/86)
2.	San Diego, CA	Cox Cable	364,963 (11/85)
3.	Manhattan, NY	ATC	219,600 (12/85)
4.	San Antonio, TX	Rogers	204,543 (5/86)
5.	Houston, TX	Warner	192,536 (8/86)
6.	East Orange, NJ	Maclean Hunter	183,000 (5/86)
7.	Honolulu, HI	ATC	164,300 (12/85)
8.	Puget Sound, WA	Viacom	163,693 (5/86)
9.	Louisville/Jeff Co., KY	Storer Communications	147,000 (3/86)
10.	Wayne, NJ	UA Cable Systems	144,328 (12/85)
11.	Phoenix, AZ	Times Mirror	142,000 (7/85)
12.	Tulsa, OK	United Cable	140,320 (8/86)
13.	Cincinnati, OH	Warner	137,000 (8/85)
14.	Audubon, NJ	NYT	133,316 (5/86)
15.	Englewood, CO	United Cable	133,000 (10/85)
16.	Plainville/Hartford	United Cable	130,000 (10/85)
17.	Florida Division (Orlando/Ormond Beach)	ATC	128,100 (12/85)
18.	Seattle, WA	Group W	127,000 (5/86)
19.	Atlanta, GA	Prime Cable Corp.	125,319 (5/86)
20.	Tidewater (Norfolk), VA	Cox Cable	124,961 (11/85)
21.	Rochester, NY	ATC	123,500 (12/85)
22.	Baltimore County, MD	Comcast	120,725 (5/86)
23.	Grie County, NY	Prime Cable Corp.	119,002 (11/85)
24.	Manhattan, NY	Group W	113,300 (4/86)
25.	Kansas City, MO	ATC	114,600 (12/85)
26.	St. Louis Co., MO	Cencom Cable	111,063 (1/86)
27.	Jacksonville, FL	Continental	110,000 (8/85)
28.	San Jose, CA	Gill Industries	110,000 (5/86)
29.	Warren, NJ	TKR	110,000 (5/86)
30.	Austin, TX	ATC	109,700 (12/85)
31.	Memphis, TN	ATC	100,900 (12/85)
32.	San Juan, PR	Harris Cable Corp.	104,728 (4/86)
33.	Tulsa, OK	Buckeye Cablevision	103,982 (4/86)
34.	Los Angeles, CA	Falcon	102,869 (4/86)
35.	Central Islip (Long Island), NY	Viacom	103,900 (9/85)
36.	San Francisco, CA	Viacom	96,300 (5/86)
37.	Fairfax, VA	Media General	97,430 (2/86)
38.	Jefferson Parish/Kenner, LA	Cox Cable	97,220 (11/85)
39.	Southeast Michigan	Comcast	94,000 (4/86)
40.	Wilmington, DE	Rollins Cableview	93,000 (4/86)
41.	San Diego, CA	ATC	92,200 (12/85)
42.	Seattle, WA	Viacom	85,000 (9/85)
43.	Grand Rapids, MI	General Electric	85,818 (5/86)
44.	Pompano, FL	American	85,440 (4/86)
45.	Dallas, TX	Heritage	85,727 (4/86)
46.	Pittsburgh, PA	Tele-Communications Inc.	84,517 (6/86)
47.	Dade/Broward, FL	Storer	82,000 (3/86)
48.	Richmond/Henrico, VA	Continental	81,678 (4/86)
49.	Indianapolis, IN	Indianapolis Cablevision Inc.	80,969 (5/86)
50.	Jackson, MS	ATC	80,700 (12/84)
51.	Wichita, KS	Multimedia Cablevision	80,158 (7/85)
52.	New Orleans, LA	Cox Cable	79,914 (11/85)
53.	Charlotte, NC	ATC	78,700 (12/85)
54.	Clearwater, FL	Vision Cable	78,600 (7/85)
55.	Flint, MI	Comcast Cable	77,206 (3/86)
56.	South Texas, TX	Heritage	76,931 (4/86)
57.	Baton Rouge, LA	Cablevision Co.	76,518 (12/85)
58.	Tacoma, WA	Cable TV of Puget Sound	76,132 (5/86)
59.	Boston, MA	Cablevision	75,524 (3/85)
60.	Chicago, IL	Group W	75,000 (4/86)
61.	Santa Monica, CA	Group W	74,000 (5/86)
62.	South Bend, IN	Heritage	72,911 (4/86)
63.	Las Vegas, NV	Times Mirror	70,091 (5/86)
64.	Cleveland Heights, OH	Viacom	70,000 (9/85)
65.	Allentown, PA	Service Elec.	70,000 (5/86)
66.	Greensboro, NC	ATC	69,300 (12/84)
67.	Omaha, NE	Cox Cable	67,917 (11/85)
68.	Chicago, IL	Group W	66,446 (12/85)
69.	Nashville, TN	Viacom	66,428 (5/86)
70.	Raleigh, NC	ATC	65,800 (12/84)
71.	Columbus, OH	Warner	64,679 (3/85)
72.	St. Petersburg, FL	Group W	64,478 (5/86)
73.	Indianapolis, IN	ATC	64,000 (12/85)
74.	Syracuse (suburban), NY	NewChannels Corp.	63,899 (12/85)
75.	Ruffalo, NY	Tele-Communications Inc.	63,898 (8/85)
76.	Akron, OH	Warner	63,500 (7/85)
77.	Des Moines, IA	Heritage	63,377 (4/86)
78.	Boston Complex (Medford), MA	Warner	63,150 (3/85)
79.	New Haven, CT	Score	62,900 (3/86)
80.	Hartford, CT	Times Mirror Cable	62,882 (7/85)
81.	Monterey, CA	Western Communications	62,847 (12/85)
82.	Fayetteville, NC	ATC	62,100 (12/84)
83.	Madison, WI	Tele-Communications Inc.	62,099 (5/86)
84.	El Paso, TX	Group W	62,000 (10/85)
85.	Las Vegas, NV	Times Mirror Cable	61,892 (7/85)
86.	Santa Barbara, CA	Cox Cable	61,417 (12/85)
87.	Contra Costa City, CA	Televents	61,000 (5/86)
88.	Snohomish County, WA	Viacom	61,000 (9/85)
89.	Oklahoma City, OK	Cox Cable	60,836 (11/85)
90.	West Palm Beach, FL	Group W	60,000 (7/85)
91.	Mt. Prospect, IL	Cablenet	60,000 (3/85)
92.	Sarasota, FL	Storer	59,500 (3/86)
93.	Birmingham, AL	ATC	59,400 (12/84)
94.	Albany, GA	Storer	59,000 (3/86)
95.	Ft. Worth, TX	Sammons Communications	59,000 (7/85)
96.	Oakland County, MI	United Cable	59,000 (10/85)
97.	Harrisburg, PA	Sammons Communications	58,600 (7/85)
98.	Westchester, CT	UA Cable Systems	58,340 (2/86)
99.	New Britain, CT	United Cable	58,282 (12/84)
100.	Bridgeport, CT	Cablevision Co./Scripps Howard	57,888 (7/85)

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

OAK HITS M/A-COM WITH PATENT VIOLATION SUIT

CTAM CONVENTION JOINS DEBATES ON PRICING, PPV

PURVEYORS FLOCKING TO EXPLOIT HOME SHOPPING BONANZA

SMALL OPERATORS HANGING TOUGH IN A SELLERS' MARKET

OFF-PREMISE GEAR MAKERS SEE NICHEs, DESPITE RESISTANCE

**SHOWTIME AT YEAR TEN:
IS IT MAKING THE RIGHT WAVES?**

CV 000260827
EDITOR ACQUISITIONS 01
4520 EAST WEST HWY
BETHESDA MD

456
20814



CableVision

FRONTLINE

Oak sues M/A-COM 12
Oak Industries, in a move that could affect the already snarled scrambling debate on Capitol Hill, has filed suit alleging M/A-COM violated Oak's patents for encryption technology.

Video merchandising networks 12
More and more players are jumping on the video merchandising bandwagon; the question is, can they all make a go of it.

CTAM convention 14
An activist mood governed the doings at the Cable Television and Marketing Society convention in Boston, with warnings of over reaching with higher prices dominating much of the discussion.

PPV's future 16
Although few agree on how to best market PPV, leaders at the CTAM show concurred that it will play a key role in cable's future.

TCI's urban plan 20
Tele-Communications Inc.'s investment in Cencom Cable may facilitate local origination and advertising in the St. Louis area.

Departments

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ADVERTISING

Comcast's record revenues 34
Comcast Cablevision's ad revenues are setting records as the MSO moves ahead of first half 1985 results by 50 percent.

LAW AND REGULATION

Legislative issues 36
Stringent theft of service measures and cable censoring have been at the forefront of cable's state legislative lobbying efforts.

ON DEMAND

Pay-per-view trial 42
Jerrold's PPV trials have shown surprisingly high buy rates, but cable executives say more tests are needed.

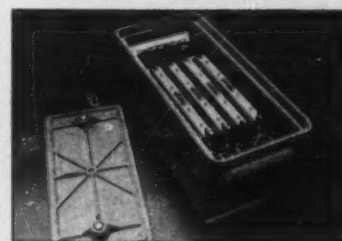
Order processing technology 43
An SCTE panel on order processing technology disclosed both pro's and con's to the four available systems.

BUSINESS

Small operators 44
In a sellers' market, many small operators are finding it hard not to take the buyers' money, but some are acting to ensure they stay in control of thriving, growing concerns.

PRODUCTS AND TECHNOLOGY

Off-premise technology 58
Off-premise addressable systems show enough potential to keep the technology alive, but many engineers remain unconvinced of its reliability.



FROM WASHINGTON

Third-party packagers 72
The latest congressional effort to legislate a third-party packaging business isn't surprising, but it's hard to see serious problems in need of redress at this stage of satellite-direct development.



COVER STORY

Showtime marks tenth 22
Amid celebrating its 10th anniversary, Showtime is planning major strategy changes for the future.

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next two months.

August

The Adventures of Mark Twain (8/14) MPAA Rating: G Cast: Claymation	Running Time: 89 mins.	Paramount
Best of Times (8/15) MPAA Rating: R Cast: Robin Williams, Kurt Russell	Running Time: 105 mins.	Universal
Clue (8/13) MPAA Rating: PG Cast: Eileen Brennan, Tim Curry, Madeleine Kahn, Christopher Lloyd, Michael McKean, Martin Mull, Lesley Anne Warren	Running Time: 87 mins.	Paramount
Bliss (8/19) MPAA Rating: R Cast: Barry Otto, Lynette Curran, Helen Jones	Running Time: 112 mins.	New World
Hannah and Her Sisters (8/7) MPAA Rating: PG-13 Cast: Woody Allen, Mia Farrow, Michael Caine	Running Time: 105 mins.	HBO Enterprises
La Cage Aux Folles III (8/14) MPAA Rating: PG-13 Cast: Michel Serrault, Ugo Tognazzi	Running Time: 88 mins.	Tri-Star
Lady Jane (8/14) MPAA Rating: PG-13 Cast: Helena Bonham Carter, Cary Elwes	Running Time: 142 mins.	Paramount
Malibu Express (8/29) MPAA Rating: R Cast: Darby Henton, Sybil Danning, Art Metrano, Niki Dantine	Running Time: 101 mins.	Universal
Offbeat (8/21) MPAA Rating: PG Cast: Judge Reinhold, Meg Tilly	Running Time: 92 mins.	Disney
Revolution (8/13) MPAA Rating: PG Cast: Al Pacino, Donald Sutherland, Nastassja Kinski, Annie Lennox, Joan Plowright	Running Time: 102 mins.	Warner Bros.
Spies Like Us (8/21) MPAA Rating: PG Cast: Dan Akroyd, Chevy Chase, Steve Forest, Bernie Casey	Running Time: 102 mins.	Warner Bros.
Star Crystal (8/19) MPAA Rating: R Cast: C. Jutson Campbell, Faye Bolt, John W. Smith	Running Time: 93 mins.	New World

September

Care Bears II: New Generation (9/1) MPAA Rating: G Cast: Animated	Running Time: 77 mins.	Columbia
French Lesson (9/1) MPAA Rating: PG Cast: Jane Snowden, Alexandre Sterling, Diana Blackburn, Oystein Wikk	Running Time: 90 mins.	Warner Bros.
Gung Ho MPAA Rating: PG-13 Cast: Michael Keaton, Ceddo Watanabe, George Wendt	Running Time: 111 mins.	Paramount
Highlander (9/4) MPAA Rating: R Cast: Sean Connery, Christopher Lambert, Clancy Brown, Roxanne Hart	Running Time: 106 mins.	20th Century-Fox
Jake Speed (9/23) MPAA Rating: PG Cast: Wayne Crawford, Dennis Christopher, Karen Kopins, John Hurt	Running Time: 104 mins.	New World
Lucas (9/4) MPAA Rating: PG-13 Cast: Corey Haim, Kerri Green, Charlie Sheen, Courtney Thorne-Smith	Running Time: 100 mins.	20th Century-Fox
Mountain Top Motel (9/23) MPAA Rating: R Cast: Bill Thurman, Anna Chappell, Will Mitchell	Running Time: 96 mins.	New World
Out of Africa (9/18) MPAA Rating: PG-13 Cast: Robert Redford, Meryl Streep, Klaus Maria Brandauer	Running Time: 161 mins.	Universal
Violets Are Blue (9/1) MPAA Rating: PG-13 Cast: Kevin Kline, Cissy Spacek	Running Time: 115 mins.	Columbia
Young Blood (9/11) MPAA Rating: R Cast: Rob Lowe, Cynthia Gibb, Patrick Swayze	Running Time: 110 mins.	United Artist
Young Sherlock Holmes MPAA Rating: PG-13 Cast: Nicholas Rowe, Alan Cox, Sophie Ward	Running Time: 109 mins.	Paramount

Note: Running times are approximate.

Film information provided to International Thomson Communications Inc. by studios.

NR indicates film not rated by MPAA.

Pay Per View Services Profile

Service:	Request Television	Viewer's Choice	Telstar Channels
Launch:	November 11, 1985	November 26, 1985	June 5, 1986
Delivery:	Galaxy 1, transponder 12	VC-1 Satcom 3R, transponder 5 VC-2 Galaxy 1, transponder 16	Interrum standalone, presently testing on Telstar 303
Encryption:	M/A-COM VideoCipher II	M/A-COM VideoCipher II	Presently testing General Instruments Starline IV
Programming:	Two to four major motion pictures per week, special events	One major motion picture per week, special events	Channels 1&2: two major motion pictures on biweekly rotation. Channel 3: two major motion pictures per week, special events
Subscriber base:	Available to systems serving 1.6 million subs (1.1 million addressable)	1.2 million addressable subs.	Available to systems serving 34,000 subs (7,500 addressable)

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	225	4,000,000
Alternate View Network	63	1,221,164
Arts & Entertainment (A&E)	2,300	18,000,000
Black Entertainment Television (BET)	590	13,015,183
Cable News Network (CNN)	9,386	33,100,000
Cable Value Network	20	200,000
C-SPAN	2,300	25,000,000
C-SPAN II	300	7,900,000
CBN Cable Network	6,714	30,065,000
Country Music Television	425	6,200,000
The Discovery Channel	673	7,465,618
ESPN	12,113	36,900,000
Eternal Word Television Network (EWTN)	276	4,500,000
Financial News Network (FNN)	1,280	21,400,000
Headline News	3,157	18,039,000
Hit Video USA	41	1,700,000
Home Shopping Network	324	6,000,000
Innovations In Living (HSN2)	15	2,000,000
The Learning Channel	760	6,600,000
Liberty Broadcasting Network	90	1,392,000
Lifetime	2,894	25,100,000
Music Television (MTV)	3,400	28,200,000
The Nashville Network	3,770	24,900,000
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	4,270	26,300,000
PTL The Inspirational Network	1,300	19,000,000
Prisco	NA	NA
Rock Christian Network	NA	NA
Silent Network	200	6,600,000
SIN Television Network	383	33,673,300
Tempo Television	608	12,100,000
Trinity Broadcasting Network	423	6,171,000
USA Network	6,500	31,000,000
Video Hits One	750	11,900,000
The Weather Channel	2,019	30,200,000
WGN-TV	7,666	19,723,000
WOR-TV	1,877	8,430,680
WPIX-TV	180	2,500,000
WTBS-TV	18,436	36,078,000

Pay services

American Extasy	6	60,000
American Movie Classics	200	420,000
Bravo	240	360,000
Cinemax	3,300	3,700,000
The Disney Channel	2,956	2,550,000
GalaVision	234	183,000
Home Box Office (HBO)	6,300	14,600,000
Home Theater Network (HTN)	350	360,000
Showtime	3,200	5,400,000
The Movie Channel	2,230	3,250,000
The Nostalgia Channel	125	350,000
The Playboy Channel	580	732,000
Private Ticket	4	NA

Audio services

Cable Radio Network	15	1,106,000
KKGO Super Jazz	13	828,000
Lifestyle	183	1,943,776
Lifestyle AC	15	679,936
Moody Bible Institute	63	748,782
Satellite Radio Network	50	403,000
Stardollars	NA	NA
Tempo Sound	89	1,282,393
WFMT Chicago	154	1,149,000

Text services

AP News Cable	325	4,300,000
AP News Plus	30	790,000
Cable SportsTracker	14	547,000
DBC/MarketWatch	NA	NA
Electronic Program Guide (EPG)	367	5,506,000
EPG Jr.	41	40,433
Genesis Cable Storytime	36	973,000
Reuters News View	225	2,390,000
TV Decisions	129	3,436,000
UPI Data Cable	456	4,600,000
X*Press	58	880,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fuji Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	335,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	4	93,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	26	1,045,000
The Econometric Channel	7	148,000
KTVT	88	2,022,000
Life Newsvision	24	36,000
Madison Square Garden	87	1,900,000
Meadows Racing Network	14	446,000
MetroChannel	1	118,000
Prime Ticket	26	1,300,000
SportsVision (Chicago)	28	300,000
Texas Cable Network	15	646,000

Pay services

Dodgervision	44	835,000
Home Sports Entertainment—Houston/Dallas	86	126,300
Home Team Sports	66	300,000
New England Sports Network	130	110,030
PRISM-Philadelphia	91	265,000
Pro-Am Sports	104	99,318
SportsChannel (New England)	96	222,082
SportsChannel (New York)	53	433,000
Z Channel	21	95,000

Announced services

Satellite-fed services

ABC Pay-Per-View service	4th Quarter 1996
Apollo Entertainment Television	TBA
The Book Channel	TBA
The BuenaVision Channel	TBA
Cabletix	4th Quarter 1996
Comedy Television	9/96
Discovery Computer Network	1997
Discovery Financial Network	4th Quarter 1996
Discovery Music Network	TBA
El Canal Musical	4th Quarter 1996
Ethnic Radio Networks	TBA
EventTelevision	9/96
International Business Network	4th Quarter 1996
Magical	TBA
Movies Time	1st Quarter 1997
QVC Network	4th Quarter 1996
Satcast/National Digital Network	2nd Quarter 1996
The Success Network	1/97
Telstar Channels	6/96
The Travel Network	4th Quarter 1996
Tunevision	4/97

Expected Launch

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention: Cable Stats, P.O. Box 5209-T.A., Denver, CO 80217.
NA denotes not available.
TBA denotes to be announced.

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

Arts & Entertainment

American Express (R)
Architectural Digest
Armour-Dial (R)
AT&T (various divisions) (R)
Canon (N)
Chevron (N)
Diner's Club (R)
Dole Sorbet (N)
Ford Motor Co. (R)
Fortune Magazine (R)
General Motors (R)
Gillette (N)
Grey Poupon (N)
MasterCard (N)
Metropolitan Life (N)
Mrs. Dash Seasonings (N)
New Yorker Magazine (R)
Natural History Magazine (R)
Pommery Wines (N)
Ralston-Purina (R)
Time Magazine (R)
Visa (R)
Wells Fargo (R)
Zales (N)

BET

American Beauty Products (R)
Anheuser-Busch (R)
C.B. Fleet Co. (N)
Carson Products (R)
Coca-Cola (R)
Dressner Communications (N)
Eastman Kodak (R)
Ford Motor Co. (R)
General Mills (N)
Hershey (R)
J.C. Penney (R)
Johnson & Johnson (R)
KFC Corp. (R)
M&M Products Co. (R)
MGM Entertainment (R)
McDonald's (R)
Mobil Oil (R)
NAACP (N)
Onyx Communications (N)
Pepsi Cola (R)
Pro-line (R)
Procter & Gamble (R)
Quaker Oats (R)
Seagram Wine Co. (N)
Sears Roebuck & Co. (R)

Thompson Medical (R)
Warner Bros. Records (N)
Warner Lambert (R)
Wendy's International Inc. (R)

C-SPAN*

AFSCME
Centel
DuPont
Gannett Foundation
General Instrument
John D. & Catherine MacArthur Foundation
McKesson Corp.
National Education Assoc.
Northern Telecomm.
NuMedia Corp.
Times Fiber
Time Inc.
TLL Temple Foundation

The Discovery Channel

†
American Heritage
Architectural Digest
Barron's Weekly
Bird Talk
Cat Fancy
Changing Times Magazine
Charles Schwab
Consumer Reports
CUNA Life Insurance
Dreyfus Fund
Field Publications
Forbes Magazine
Golf Digest
Guidepost Magazine
Home Magazine
Life Magazine
McCall's Magazine
National Business Employment Weekly
National Geographic
World Magazine
Newsweek Magazine
Prudential Insurance
Psychology Today
Standard & Poors
The New Yorker Magazine
Time + Life Books
Transamerica Insurance
TV Guide
U.S. News & World Report
Wall Street Journal

FNN

All-American Sports (N)

American Cyanamid (N)
American Express Gold Card (N)
Anheuser-Busch (R)
Apache Trading (N)
AT&T (R)
Best Western (N)
Bureau of Business Practices (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chicago Mercantile Exchange (N)
Chrysler (R)
Clayton Brown (N)
Computer Sports (N)
CSX Corp. (N)
Diner's Club (N)
Dow Jones (R)
Dreyfus (N)
Emery Air Freight (N)
Forbes Magazine (N)
Ford Corp. (R)
GMAC (R)
Golden Nugget (N)
The Hartford Insurance (N)
Harris Corp. (N)
Hong Kong Tourist Bureau (R)
International Trading Group (N)
Intex (N)
ITT (R)
Kansas City Board of Trade (R)
Merrill Lynch (R)
Minolta (N)
Navistar (N)
Norelco (N)
Northwest Orient Airlines (N)
Nynex (R)
Paulson Investments (N)
Paramount Home Video (N)
Reichold Chemical (N)
Rockwell (N)
Rolex (N)
Stroh's Beer (N)
United Rare Coin (N)
USA Today (N)
U.S. Postal Service (N)
Wall Street Journal (R)
Western Futures (N)
Xerox (R)
Zweigt Forecast (R)

The Learning Channel

California Beef Council (R)

Charles Schwab (R)
Esquire Magazine (N)
Forbes Magazine (N)
Home Magazine (N)
Time + Life Books (R)
Wall Street Journal (R)

The Silent Network

Campbell's Soups
Hallmark Cards
Kal Kan
Mattel Toys
Ultratec TDD

Tempo Television †

AT&T
Bass Pro Shops
Bayer
Beechnut
Budweiser
Casio
Chum'n Rub
Continental Airlines
Evenflo
Fisher-Price
Gerber
Heinz
Hilton Hotels
Huggies
Ivory Snow
Johnson & Johnson
Johnson Reels
Johnson Silver Minnow
Kodak
Little Stinker Bate Co.
Maytag
National Rifle Assoc.
Norelco
Playboy Magazine
Playtex
Redman Chewing Tobacco
Rubbermaid
Sears
Time + Life Books
Tropicana
United Airlines
Valvoline
Vaseline
Windjammer
Yamaha

R denotes renewal client.

N denotes new client.

†New and renewal information not available.

*Listing is comprised of program underwriters.
Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

IBM EXPANDING RELATIONSHIPS IN CABLE

OPERATORS AND CABLE NETS ACT TO IMPROVE CHANNEL POSITIONS

X*PRESS CHANGES PORTEND NEW DIRECTIONS

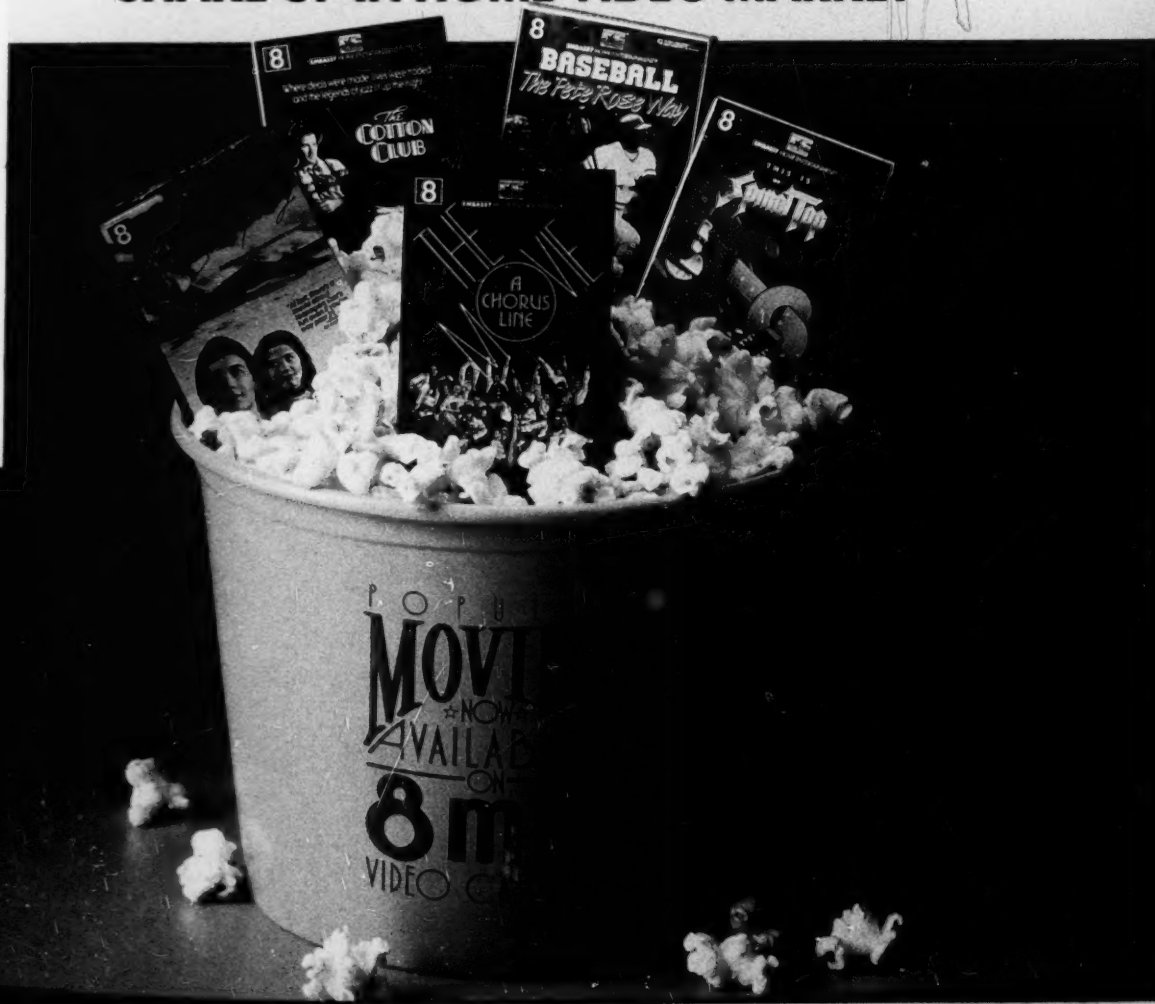
ELECTRICAL CO-OP MARKETING PLAN SLOW TO HATCH

I-NET EXPERIENCE PROVING VALUABLE FOR SOME MSO'S

8 MM VIDEO FORMAT THREATENS SHAKE-UP IN HOME VIDEO MARKET

CV 000260827 01
EDITOR ACQUISITIONS SRI
4520 EAST WEST HWY
BETHESDA MD

20814



CableVision

FRONTLINE

IBM strategy 12
IBM expands its involvement in cable with an eye toward developing dedicated computer paths for general business use.

Dial position 14
Some MSOs and programmers are acting to secure better channel positioning for cable nets but independent broadcasters are complaining.

X*Press forges ahead 16
Despite management and ownership shifts and disappointing results, X*Press Information Services' backers say they are in the business for the long haul.

Departments

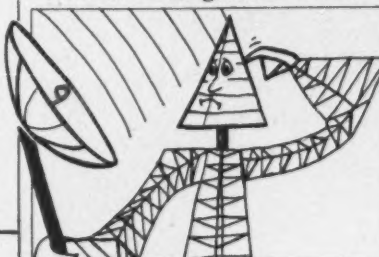
Between the Lines	6
Cablescope	11
Cable Stats	26, 78
People	70
Events	72
Classifieds	73
Advertiser's Index	80
Parting Words	82

PROGRAMMING

First launch 24
United, expected to be the first to launch a "super local origination" channel, is being monitored by other MSOs as they ready their own LO ventures.

LAW AND REGULATION

Copyright legislation 40
Legislation introduced to alter the copyright law giving satellite common carriers the right to market scrambled superstations to TVRO owners may be too late in the legislative session to do any good.



SATELLITE DIRECT

NRECA proposal 44
Cable programmers are taking a wait and see attitude toward the NRECA satellite packaging proposal, which is gaining strong support from Congress.

MARKETING

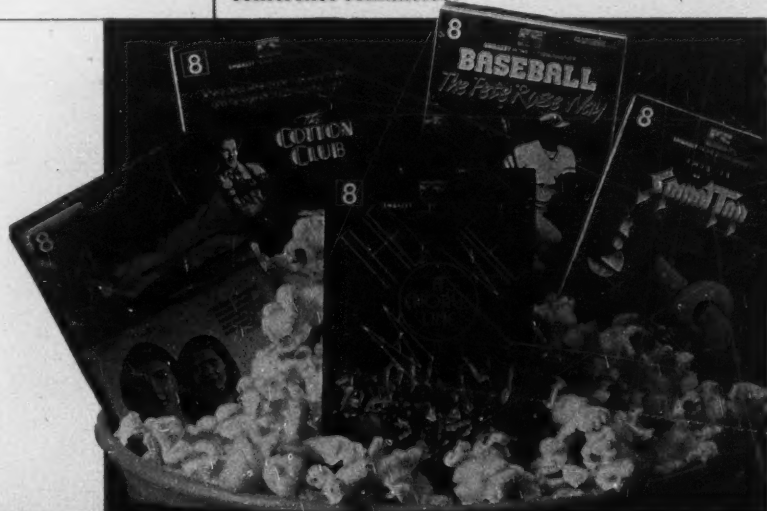
HBO campaigns 48
HBO says its massive telemarketing and direct-mail campaigns are netting the company huge numbers of installs; the efforts have put HBO among the top five direct marketers in the country.

NEW BUSINESS DEVELOPMENT

The I-net experience 50
Although I-nets still get little attention from cable operators, evidence shows that for those committed to them, they are starting to pay off.

BUSINESS

Tax credits 56
Under the rules in the Senate's tax bill, some Investment Tax Credits will still be allowed; the question remains—will the provision survive the House-Senate conference committee?



COVER STORY

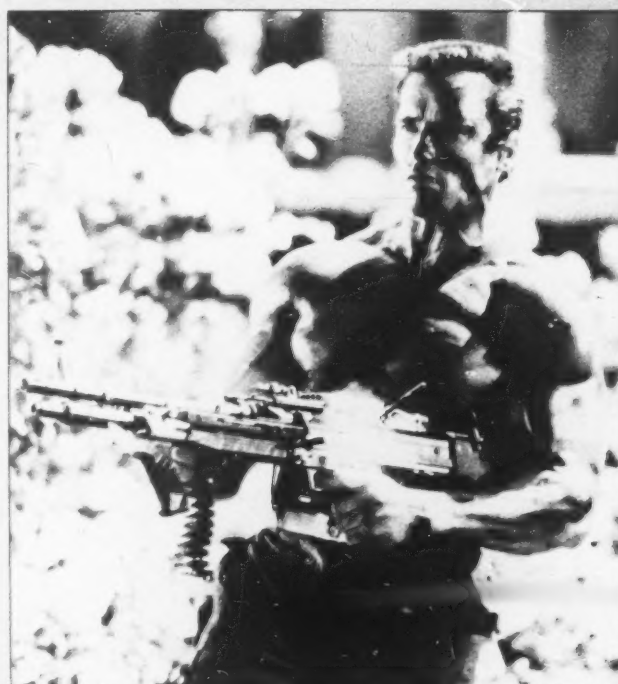
8mm cassettes 32
Manufacturers of 8 millimeter video equipment are making slow but steady progress toward making 8 mm a major player in the home video market.

Film product comparison—August

Film	Pay Networks					Distributor	Film	Pay Networks					Distributor
Adventures of Bucharoo Bonzai, The	(HBO)	(ST)	(TMC)	(HTN)	MAX	20th Century-Fox	Frank and I					MAX	Playboy
Adventures of Huckleberry Finn, The				HTN		Great Amwell	Friday the 13: The Final Chapter		ST	(TMC)		MAX	Paramount
Agatha	(HBO)		TMC		(MAX)	Warner Bros.	From Hell to Texas					MAX	20th Century-Fox
Airplane!	(HBO)		TMC		MAX	Paramount	Fury at Gunsight Pass		(ST)	TMC		MAX	Columbia
Alamo Bay	(HBO)				MAX	Tri-Star	Garbo Talks					MAX	MGM/UA
Alice Adams					MAX	RKO	Gauntlet, The					MAX	Warner Bros.
Alice the Chimp		ST				Satori	Gift of Love, The	(HBO)	(ST)			MAX	20th Century-Fox
Alley Cat		ST	(TMC)			Film Ventures	Gimme An "F"	(HBO)	(ST)	TMC*	(HTN)	MAX	20th Century-Fox
All of Me	HBO	(ST)	(TMC)	HTN*	(MAX)	Universal	Gotcha!					MAX	Universal
All The Rivers Run (Pts. 1-4)						Crawford	Great Dictator, The			TMC	(HTN)	MAX	20th Century-Fox
Anne's Story				HTN		CBC	Gunga Din		ST			MAX	RKO
Antarctica	(HBO)			(HTN)	MAX	20th Century-Fox	Gun Glory					MAX	MGM/UA
Any Number Can Play			TMC			MGM/UA	Hardly Working					MAX	Hardly Working
Arthur	HBO				(MAX)	Warner Bros.	Hobson's Choice			TMC		MAX	New Century
Assault on Precinct 13			TMC		MAX	Samuel Goldwyn	Hollywood Knights, The					MAX	Columbia
Auntie Mame			TMC		(MAX)	Warner Bros.	Horses Mouth, The		ST			MAX	New Century
Avanti!			TMC		(MAX)	MGM/UA	Hot Resort	(HBO)	ST*			MAX	Cannon
Bachelor Mother						RKO	How Sweet It Is			TMC*		MAX	Warner Bros.
Bachelor Party	(HBO)	(ST)	TMC		MAX*	20th Century-Fox	Innocent Love, An				HTN*	MAX	20th Century-Fox
Bananas		(ST)	TMC		(MAX)	MGM/UA	Invisible Boy, The		(ST)	TMC		MAX	MGM/UA
Battleground					MAX	MGM/UA	Innocents Abroad		(ST)		HTN	MAX	Great Amwell
Bells Are Ringing		(ST)	TMC		(MAX)	MGM/UA	I Remember Mama					MAX	RKO
Beverly Hills Cop		ST*				Paramount	Irreconcilable						
Beyond the Poseidon Adventure			TMC		MAX	Warner Bros.	Differences				(HTN)	(MAX)	Warner Bros.
Big Bad Mama		ST				Viacom	Jerk, The	(HBO)	ST			(MAX)	Universal
Big Leagues		ST				MGM/UA	Johnny Dangerously	(HBO)	(ST)	TMC		MAX	20th Century-Fox
The Big Score	HBO					Almi Pictures	Just One of the Guys		(ST)			(MAX)	Columbia
Bill Cosby, "Himself"	(HBO)	(ST)		(HTN)	MAX	20th Century-Fox	Kate Morris V.P.				HTN	(MAX)	CBC
Blame It On the Night	(HBO)				MAX	Tri-Star	Kelly	HBO*	(ST)		HTN	(MAX)	Paramount
Blue Lagoon, The					MAX	Columbia	Kentucky Woman	(HBO)		TMC		HTN	20th Century-Fox
Border, The	HBO	(ST)	TMC		(MAX)	Universal	Key Exchange	HBO		TMC			20th Century-Fox
Boy and His Dog, A			TMC		(MAX)	Film Gallery	KGOD	HBO					Orion
Breakfast Club, The			TMC			Universal	Kidco				(HTN)	MAX	20th Century-Fox
Breakin'					MAX	Cannon	Killing Fields, The	(HBO)	ST*	TMC*			Warner Bros.
Breakin' II					MAX*	Tri-Star	Kind Hearts and Coronets		ST				New Century
Breaking All The Rules					MAX	New World	Kiss Me Kate		(ST)	TMC			MGM/UA
Brief Encounter			TMC			20th Century-Fox	Law and Jake Wade, The			TMC			MGM/UA
Brewster's Millions	(HBO)	(ST)	TMC*	(HTN)	(MAX)	Universal	Ladyhawk	(HBO)	(ST)	TMC*			MGM/UA
Brigadoon			TMC		(MAX)	MGM/UA	Lady Vanishes, The			TMC			New Century
Brother From, Another Planet, The					MAX	Cinecom	Last Dragon, The	HBO			(MAX)		Tri-Star
Bustin' Loose	HBO*	(ST)	(TMC)		(MAX)	Universal	Last Romantic						New Line
Caddyshack		(ST)			MAX*	Warner Bros.	Lover, The	HBO					Universal
Camelot			TMC*		(MAX)	Warner Bros.	Last Starfighter, The	(HBO)	(ST)	TMC	(HTN)	(MAX)	
Catered Affair, The		(ST)	TMC*			MGM/UA	Last Time						MGM/UA
Ceiling Zero		(ST)	TMC			MGM/UA	I Saw Paris, The			TMC			Paramount
Chariots of Fire		ST	(TMC)			Warner Bros.	Last Tycoon, The			TMC			MGM/UA
City Heat		(ST)	TMC	(HTN)	MAX*	Warner Bros.	Latin Lovers		ST				Group S Filmas
Coca-Cola Kid, The	HBO					Film Gallery	Legend of Billie Jean, The					MAX	Tri-Star
Comfort and Joy	(HBO)	(ST)		HTN		Universal	Lenny				TMC		Tri-Star
Commando	HBO	(ST)	TMC		MAX	20th Century-Fox	Life of Riley, The					HTN*	Universal
Conan the Destroyer	(HBO)	(ST)		HTN*	(MAX)	Universal	Life on the Mississippi					HTN	Great Amwell
Cotton Club, The	(HBO)	ST	(TMC)		(MAX)	Orion	Little Drummer Girl, The			(TMC)		MAX*	Warner Bros.
Creepshow	HBO					Warner Bros.	Lord of the Flies			TMC		MAX*	New Century
Crimes of Passion			TMC*			New World	Losin' It			(TMC)			
Crossover Drums					MAX	Miramax	Lost Empire, The	(HBO)	ST				J.G.M.
Curse of the Pink Panther	HBO	ST	(TMC)		(MAX)	MGM/UA	Love Child		ST*				Warner Bros.
D.A.R.Y.L.		ST	(TMC)			Paramount	Love From a Stranger				HTN		Fox/Lorber
Deja Vu	(HBO)				MAX	Cannon	Love Goddesses, The			TMC			New Century
Delivery Boys					MAX	New World	Love is Better Than Ever				TMC		MGM/UA
Desperately Seeking Susan	(HBO)			HTN*	(MAX)	Orion	Lust in the Dust	HBO				MAX	New World
Dreamscape				HTN*	(MAX)	20th Century-Fox	M.A.D.D.		ST			(MAX)	Universal
Dream Wife			TMC			MGM/UA	Malibu Express						W.P. Donnelly
Dune		(ST)			MAX*	Universal	Man With One Red Shoe, The	(HBO)	ST*			MAX	Fox
Eagle's Wing					MAX	Samuel Goldwyn	Maria's Lovers						Cannon
Empire Strikes Back, The	HBO*		TMC	(HTN)	(MAX)	Lucasfilm	Martin's Day		(ST)	TMC	HTN*		MGM/UA
Endless Love			TMC*			King Features	Marvin and Trye		(ST)	TMC	(HTN)	(MAX)	Castle Hill
Enola Gay, The	HBO					Viacom	Mask						Universal
Fallen Angel					MAX	Columbia	Mass Appeal		(ST)	TMC	(HTN)	(MAX)	Universal
Falling In Love		ST*	TMC			Paramount	Melody in Love	(HBO)	ST		(HTN)	MAX	Playboy
Fandango		(ST)	TMC		MAX	Warner Bros.	Midnight Madness	(HBO)	(ST)	TMC		(MAX)	Cannon
Fast Forward					MAX*	Columbia	Missing in Action	(HBO)	(ST)	(TMC)		(MAX)	Cannon
Fighting Back					MAX*	Paramount	Missing in Action, II	HBO*	(ST)		HTN*		MGM
Final Terror, The	HBO*	ST*				Arkoff Int'l	Mrs. Soffel						Worldvision
Finders Keepers	(HBO)				MAX	CBS	My Brilliant Career			TMC*			Great Amwell
Finian's Rainbow			TMC		(MAX)	Warner Bros.	Mysterious Stranger, The	HBO	ST		HTN	(MAX)	Cannon
Firstborn		ST*	(TMC)			Paramount	Naked Face, The						
Flamingo Kid, The	HBO			HTN*	(MAX)	Universal	National Lampoon's European Vacation		ST	TMC			Warner Bros.
Follow the Fleet					MAX	RKO	Never So Few			TMC		(MAX)	MGM/UA
Forever Darling	HBO	(ST)			(MAX)	MGM/UA	Night Hawks			(TMC)		MAX	Universal
Forever Young			TMC			Film Gallery	Nightmare on Elm Street	(HBO)		TMC		(MAX)	New Line
Four Seasons, The	HBO	(ST)	(TMC)	(HTN)		Universal	Night of the Comet		ST		(HTN)	(MAX)	Atlantic
							Night of the Lepus			TMC			MGM/UA

Film Pay Networks Distributor

Norma Rae	(HBO)	(TMC)	HTN*	MAX	Paramount
North Dallas Forty				MAX*	Paramount
Oh, God! You Devil	(HBO)	(ST)	(TMC)	(HTN)	MAX*
Once Upon a Time In America	HBO*			(MAX)	Warner Bros.
On the Town	(HBO)				MGM/UA
Ordeal By Innocence	HBO				Cannon
Pagan Love Song		ST			MGM/UA
Paris, Texas			(TMC)	MAX	Fox
Passage to India. A				HTN*	Columbia
People Will Talk				MAX	Fox
Perfect Timing		ST		(MAX)	Film Gallery
Phar Lap	(HBO)			HTN*	Fox
Philadelphia					
Experiment, The				HTN	(MAX)
Piano for Mrs. Cimino, A	HBO				New World
Places in the Heart	(HBO)			MAX*	Viacom
Pope of Greenwhich					Tri-Star
Village, The		(ST)	TMC	(MAX)	MGM/UA
Porky's	(HBO)		(TMC)	MAX	Fox
Porky's II	(HBO)		TMC	MAX	Fox
Puddin' Head Wilson				HTN	Great Amwell
Purple Rain	(HBO)	ST	(TMC)	(MAX)	Warner Bros.
Purple Rose of Cairo, The	(HBO)			HTN	(MAX)
The Rack			TMC		Orion
Raintree County	(HBO)		TMC		MGM/UA
Rappin'	(HBO)			MAX	MGM/UA
Razorback				MAX	Cannon
Red High					Warner Bros.
and Sting, The					
Rebel Rousers				MAX	Universal
Reunion at Fairborough	HBO		TMC		Transcom
Reckless Disregard					Columbia
Revenge of the Nerds	(HBO)	ST*	TMC	MAX	Showtime
Rhinestone	(HBO)	ST*	(TMC)	(HTN)	20th Century-Fox
Rider on the Rain			TMC		20th Century-Fox
Rio Bravo			TMC	(HTN)	Castle Hill
Roadhouse 66			(TMC)	MAX*	Warner Bros.
Romancing the Stone	HBO*	(ST)	(TMC)	(HTN)	Atlantic
Roxie Hart				MAX	Fox
St. Helens	HBO				Fox
Second Time Lucky				MAX	Michael M. Goldfarb
Secret Places	HBO				Fox
Seduction, The	HBO			(MAX)	Embassy
Sesame Street Presents: Follow that Bird	HBO	ST			Warner Bros.
Sex Games					
of the Very Rich		(ST)		MAX	Jonathan Tyrell
Sheena	HBO			(MAX)	Columbia
Silent One, The		ST*			Satori
Sixteen Candles	(HBO)	(ST)	TMC	HTN*	(MAX)
Six Weeks	HBO				Universal
Small Circle of Friends, A				MAX	Polygram
Somewhere, Tomorrow		ST			MGM/UA
Songwriter				MAX	Film Gallery
Space Movie, The				HTN	Tri-Star
Spellbound				HTN*	Samuel Goldwyn
Stage Door				MAX	ABC Video
Star Trek III			TMC*		MAX
Straight Time			TMC		Paramount
Stranger's Kiss	HBO		(TMC)		Warner Bros.
Stick	(HBO)	(ST)	(TMC)	MAX	The Movie Shore
Surf II	HBO	(ST)		(MAX)	Universal
Swing Time				MAX	Film Gallery
Sword of the Valiant	HBO	(ST)	(TMC)	(MAX)	RKO
Summer Rental			TMC		Viacom
Summertime			TMC		Paramount
Sure Thing, The	(HBO)	(ST)	TMC		New Century
2010	HBO	ST		HTN*	Embassy
Teachers	(HBO)	(ST)	TMC	(MAX)	MGM/UA
Teen Wolf				MAX	MGM/UA
Thief				MAX	Atlantic
Tell Me That You Love Me	(HBO)			(HTN)	MAX
Tempest	HBO				The Movie Store
Tender Mercies				MAX*	Columbia
Ten From Your Show of Shows	(HBO)	(ST)			Thorn-EMI
Terminator, The	HBO*				
That Forsythe Woman		ST			Les Haber
That's Dancing				(HTN)	Hemdale
Thief				MAX	MGM/UA
Thief of Hearts		ST - (TMC)		MAX	MGM/UA
Third Man, The		TMC*		(MAX)	Paramount
This Could Be the Night		ST			New Century
This Is Spinal Tap	HBO			(MAX)	MGM/UA
Threshold	HBO			(MAX)	Embassy
Tigers in Lipstick		ST			20th Century-Fox
Tightrope	HBO	(ST)	(TMC)	(MAX)	Castle Hill
To Catch A King	HBO				Warner Bros.
Top Secret		ST	TMC		Entertainment
Torch Song			TMC	(MAX)	Paramount
The Trial			TMC		MGM/UA
					Viacom



Arnold Schwarzenegger stars in 'Commando.'

Film Pay Networks Distributor

Turk 182		ST*	(MAX)	20th Century-Fox
Two Weeks In				
Another Town		TMC*		MGM/UA
Unfinished Business			HTN	Transcom/ Zebra Films
Until September		ST*		MGM/UA
Vanessa				Film Gallery
Volunteers	HBO			MAX
War Brides			HTN	Silver Screen
Warning Sign	HBO			CBC
Warriors, The	HBO	TMC		20th Century-Fox
We Are Not Alone		ST		Paramount
Weird Science	HBO	ST	HTN	MGM/UA
Where the Boys Are		TMC		Universal
Who'll Stop the Rain		TMC*		MGM/UA
Who's Afraid of Virginia Woolf?		ST	(TMC)	(HTN)
Wild Life, The	HBO*		(TMC)	(MAX)
Wild Rose	(HBO)			HTN
Windy City, The				MAX
Yellow Cab Man, The		(ST)	TMC	
You Light Up My Life	(HBO)			MGM/UA
Young Man With Ideas		ST		Columbia
Your Cheatin' Heart			TMC	MAX
				MGM/UA

Cable Network Legend:
HBO-Home Box Office
ST-Showtime
TMC-The Movie Channel
HTN-Home Theater Network
MAX-Cinemax

■ Networks in parentheses indicate carriage in March, April, May, June and/or July.

■ An asterisk indicates the film is a carry-over from March, April, May, June and/or July.

■ In total, 266 films appear on the July schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, seven have played on all five services, 26 have played on four of the five services, 30 have played on three services and 77 have played on two of the five services. One hundred and twenty-six titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV this month is MGM/UA with 46, followed by 20th Century-Fox with 29, Warner Bros. with 27, Universal with 23 and Paramount with 16.

■ Titles subject to change.

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cable Value Network	18
CBN Cable Network	8
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	4
Genesis Storytime	8
HBO (West)	13
HSN2	2, 16
HTN	16
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Reuter Monitor Service	18
Showtime (West)	10
StudioLine	19
Tempo Television	6
TV Decisions	24
Trinity Broadcasting Network	3
Video Hits One	15
Viewer's Choice	5
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
Biznet	6
Bravo	2
Hit Video USA	18
Home Sports Entertainment	11
Home Team Sports	22
Innovations In Living (HSN2)	1
Liberty Broadcasting Network	7
Madison Square Garden	6
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	12
Prisco TV Shopper's Showcase	14
Prime Ticket	20
Rock Christian Network	3
The Silent Network	23V
SportsVision	9
WPIX—New York	19

Westar III (Western Union)

Transponder

CNN	5
-----	---

Westar IV (Western Union)

Transponder

Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Public Broadcasting Service	18, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Westar V (Western Union)

Transponder

Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

Transponder

American Extasy	19
Country Music Television (CMTV)	18
KTVT (Dallas)	22
SelectTV	13

Galaxy I (Hughes)

Transponder

Alternate View Network	22
CBN Cable Network	11
Cinemax (East)	19
CNN	7
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Seaburg Adult Contemporary	3
Seaburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
StudioLine	13
WGN	3
WOR-TV	18
WTRH	18

Note: A company name in parentheses following a service or network designates the transponder owner.

Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1.	Tele-Communications Inc.	3,778,621 (11/85)
2.	American Television and Communications Corp.	2,700,000 (12/85)
3.	Group W Cable	2,162,000 (10/85)
4.	Continental Cablevision	1,186,000 (4/86)
5.	Storer Cable Communications	1,546,000 (3/86)
6.	Cox Cable Communications	1,331,514 (5/86)
7.	Warner Cable Communications Inc.	1,158,805 (10/85)
8.	United Cable	999,000 (3/86)
9.	Newhouse Broadcasting	972,377 (4/86)
10.	Times Mirror Cable Television Inc.	893,374 (2/86)
11.	Viacom Cablevision	829,000 (1/86)
12.	Jones Inter-cable	767,648 (6/86)
13.	UA CableSystems Corp.	735,431 (2/86)
14.	Heritage Communications Inc.	725,425 (4/86)
15.	Sacramento Communications Inc.	708,609 (12/85)
16.	Cablevision Co.	601,300 (2/86)
17.	Rogers CableSystems Inc.	583,369 (11/85)
18.	Comcast	568,711 (3/86)
19.	Telecable Corp.	467,941 (3/86)
20.	McCaw Communications	379,800 (4/86)
21.	Post-Newsweek	360,000 (2/86)
22.	Genial Cable	350,000 (5/86)
23.	Prime Cable Corp.	346,023 (12/85)
24.	Cable Vision Industries	330,883 (4/86)
25.	American CableSystems Corp.	323,187 (4/86)
26.	Century Communications Corp.	318,060 (12/85)
27.	Wometex Cable TV Inc.	308,427 (7/85)
28.	Falcon Cable	302,000 (6/86)
29.	Daniels & Associates	299,227 (4/86)
30.	Multimedia Cablevision	278,113 (5/86)
31.	Scripps Howard	269,183 (4/86)
32.	TCA Group	255,869 (5/86)
33.	Tribune Cable Communications	245,079 (3/86)
34.	Maclean Hunter Cable TV Ltd.	233,871 (12/85)
35.	Colony Communications Inc.	216,320 (7/85)
36.	Adelphia Communications	210,898 (5/86)
37.	Rollins Cableview Inc.	208,000 (4/86)
38.	Service Electric Cable TV Inc.	195,000 (12/85)
39.	Communications Service Inc.	179,000 (2/86)
40.	Western Communications	175,845 (12/85)
41.	TKR Cable Co.	172,026 (3/86)
42.	Sutton Capital Corp.	166,561 (2/86)
43.	CableEntertainment	161,436 (11/85)
44.	TCI-Taft	161,138 (2/86)
45.	Rafkin & Associates	155,193 (2/86)
46.	Adams-Russell Communications	151,449 (5/86)
47.	Cencora Cable	150,867 (5/86)
48.	Harte-Hanks Communications	144,514 (2/86)
49.	Harron Communications	132,644 (7/85)
50.	Buckeye Cablevision	126,047 (4/86)
51.	Lentfert Group	125,731 (2/86)
52.	Gorster Media Cable	124,662 (3/86)
53.	Harris Cable Corp.	122,955 (4/86)
54.	Armstrong Utilities	120,061 (2/86)
55.	Televents Inc.	117,787 (3/86)
56.	Sonic Communications	109,916 (3/86)
57.	Summit Communications	109,775 (5/86)
58.	Media General Inc.	107,440 (2/86)
59.	Communications Systems Inc.	107,000 (4/86)
60.	The Essex Group	105,166 (5/86)
61.	Multi-Channel TV Cable Inc.	101,874 (4/86)
62.	U.S. Cable Corp.	98,900 (3/86)
63.	First Carolina Communications Inc.	94,100 (2/86)
64.	Simmons Communications	91,890 (2/86)
65.	King Videocable	91,373 (4/86)
66.	Perry Cable TV Corp.	90,215 (1/86)
67.	McDonald Group	90,079 (8/84)
68.	Cable Management Associates	88,201 (1/86)
69.	Marcus Communications	83,888 (4/86)
70.	WEHCO Video Inc.	83,510 (1/86)
71.	Booth Communications	82,482 (8/85)
72.	Palmer Communications	80,449 (7/85)
73.	Columbus International Inc.	77,500 (8/86)
74.	Midcontinent Cable Systems Co.	75,848 (5/86)
75.	Omega Communications	74,213 (6/85)
76.	Susquehanna Broadcasting	72,235 (1/86)
77.	Pencor Services Inc.	71,525 (2/86)
78.	Northland Communications Corp.	68,000 (4/86)
79.	Clear TV Cable Associates Ltd.	63,024 (2/86)
80.	Selkirk Communications	62,000 (2/86)
81.	National Telecommunications Corp.	61,625 (1/86)
82.	The Daily Press	60,100 (8/86)
83.	Marsh Media	57,698 (7/85)
84.	Helicon Corp.	55,000 (2/86)
85.	Mountain Cable Co.	54,000 (4/86)
86.	Manado Corp.	54,570 (2/86)
87.	Action Corp.	54,529 (2/86)
88.	United Video Management	51,120 (2/86)
89.	Wisconsin Cablevision and Radio Co.	49,153 (1/86)
90.	Chambers Cable Comm. Inc.	48,643 (4/86)
91.	Commercium	47,694 (1/85)
92.	State Cable TV	45,922 (3/86)
93.	Brennan Communications Co.	44,800 (2/86)
94.	Tele-Media	44,506 (7/85)
95.	Joseph Gans Cable T.V.	43,836 (3/85)
96.	Cable Holdings Inc.	42,344 (2/86)
97.	Dorsey Cablevision	42,259 (2/86)
98.	Durden Communications	42,100 (4/86)
99.	North American Comm. Corp.	37,710 (6/86)
100.	Eastar Communications	35,630 (4/86)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention Cable Stats, P.O. Box 5308-T.A., Denver, CO 80217.

Top 100 systems

Rank	Location	Operator	Basic subs
1.	Woodbury (Long Island), NY	Cablevision Co.	342,783 (4/86)
2.	San Diego, CA	Cox Cable	264,963 (11/85)
3.	Manhattan, NY	ATC	219,600 (12/85)
4.	San Antonio, TX	Rogers	200,503 (5/86)
5.	Houston, TX	Warner	192,500 (6/86)
6.	East Orange, NJ	Madison Hunter	183,000 (5/86)
7.	Honolulu, HI	ATC	164,300 (12/85)
8.	Paget Sound, WA	Viacom	163,693 (5/86)
9.	Louisville/Jeff Co., KY	Storer Communications	147,000 (3/86)
10.	Wayne, NJ	UA CableSystems	144,328 (12/85)
11.	Phoenix, AZ	Times Mirror	142,000 (7/85)
12.	Tulsa, OK	United Cable	140,320 (6/86)
13.	Cincinnati, OH	Warner	137,000 (8/85)
14.	Audubon, NJ	NYT	133,316 (5/86)
15.	Englewood, CO	United Cable	138,189 (5/86)
16.	Plainville/Hartford	United Cable	130,000 (10/85)
17.	Florida Division (Orlando/Ormond Beach)	ATC	128,100 (12/85)
18.	Seattle, WA	Group W	127,000 (5/86)
19.	Atlanta, GA	Prime Cable Corp.	125,319 (5/86)
20.	Tidewater (Norfolk), VA	Cox Cable	124,961 (11/85)
21.	Rochester, NY	ATC	123,500 (12/85)
22.	Baltimore County, MD	Comcast	120,725 (5/86)
23.	Erie County, NY	Prime Cable Corp.	119,002 (11/85)
24.	Manhattan, NY	Group W	115,000 (5/86)
25.	Kansas City, MO	ATC	114,600 (12/85)
26.	St. Louis Co., MO	Comcast Cable	111,063 (1/86)
27.	Jacksonville, FL	Continental	110,000 (6/85)
28.	San Jose, CA	Gill Industries	110,000 (5/86)
29.	Warren, NJ	TKR	110,000 (5/86)
30.	Austin, TX	ATC	109,700 (12/85)
31.	Memphis, TN	ATC	106,900 (12/85)
32.	San Juan, PR	Harris Cable Corp.	104,728 (4/86)
33.	Toledo, OH	Buckeye Cablevision	103,982 (4/86)
34.	Los Angeles, CA	Falcon	103,869 (4/86)
35.	Central Islip (Long Island), NY	Viacom	103,000 (9/85)
36.	San Francisco, CA	Viacom	98,300 (5/86)
37.	Fairfax, VA	Media General	97,420 (2/86)
38.	Jefferson Parish/Kenner, LA	Cox Cable	97,220 (11/85)
39.	Southeast Michigan	Comcast	94,000 (4/86)
40.	Wilmington, DE	Rollins Cableview	93,000 (4/86)
41.	San Diego, CA	ATC	92,200 (12/85)
42.	Seattle, WA	Viacom	92,000 (9/85)
43.	Grand Rapids, MI	General Electric	88,818 (5/86)
44.	Pompano, FL	American	88,440 (4/86)
45.	Dallas, TX	Heritage	85,727 (4/86)
46.	Pittsburgh, PA	Tele-Communications Inc.	84,517 (6/86)
47.	Dade-Broward, FL	Storer	82,000 (3/86)
48.	Richmond/Henrico, VA	Continental	81,678 (4/86)
49.	Indianapolis, IN	Indianapolis Cablevision Inc.	80,969 (5/86)
50.	Jackson, MS	ATC	80,750 (12/84)
51.	Wichita, KS	Multimedia Cablevision	80,158 (7/85)
52.	New Orleans, LA	Cox Cable	79,914 (11/85)
53.	Charlotte, NC	ATC	78,700 (12/85)
54.	Clearwater, FL	Vision Cable	78,600 (7/85)
55.	Flint, MI	Comcast Cable	77,208 (3/86)
56.	South Texas, TX	Heritage	76,931 (4/86)
57.	Baton Rouge, LA	Cablevision Co.	76,518 (12/85)
58.	Tacoma, WA	Cable TV of Puget Sound	76,132 (5/86)
59.	Boston, MA	Cablevision	75,524 (3/85)
60.	Chicago, IL	Group W	75,000 (4/86)
61.	San Antonio, CA	Group W	74,000 (5/86)
62.	South Bend, IN	Heritage	72,911 (4/86)
63.	Las Vegas, NV	Times Mirror	70,081 (5/86)
64.	Cleveland Heights, OH	Viacom	70,000 (9/85)
65.	Allentown, PA	Service Elec.	70,000 (5/86)
66.	Greensboro, NC	ATC	69,200 (12/84)
67.	Omaha, NE	Cox Cable	67,917 (11/85)
68.	Chicago, IL	Group W	66,446 (12/85)
69.	Nashville, TN	Viacom	66,426 (5/86)
70.	Raleigh, NC	ATC	65,800 (12/84)
71.	Columbus, OH	Warner	64,679 (3/85)
72.	St. Petersburg, FL	Group W	64,478 (5/86)
73.	Indianapolis, IN	ATC	64,000 (12/85)
74.	Syracuse (suburban), NY	New Channels Corp.	63,899 (12/85)
75.	Buffalo, NY	Tele-Communications Inc.	63,208 (8/85)
76.	Akron, OH	Warner	63,500 (7/85)
77.	Des Moines, IA	Heritage	63,377 (4/86)
78.	Boston Complex (Medford), MA	Warner	63,100 (3/85)
79.	New Haven, CT	Storer	62,900 (3/86)
80.	Hartford, CT	Times Mirror Cable	62,882 (7/85)
81.	Monterey, CA	Western Communications	62,847 (12/85)
82.	Payetteville, NC	ATC	62,100 (12/84)
83.	Madison, WI	Tele-Communications Inc.	62,099 (5/86)
84.	El Paso, TX	Group W	62,000 (10/85)
85.	Las Vegas, NV	Times Mirror Cable	61,892 (7/85)
86.	Santa Barbara, CA	Cox Cable	61,417 (11/85)
87.	Contra Costa City, CA	Televents	61,000 (5/86)
88.	Snohomish County, WA	Viacom	61,000 (9/85)
89.	Oklahoma City, OK	Cox Cable	60,836 (11/85)
90.	West Palm Beach, FL	Group W	60,000 (7/85)
91.	Mt. Prospect, IL	Cablenet	60,000 (3/85)
92.	Sarasota, FL	Storer	59,500 (3/86)
93.	Birmingham, AL	ATC	58,400 (12/84)
94.	Albany, GA	Storer	59,000 (3/86)
95.	Fl. Worth, TX	Sacramento Communications	59,000 (7/85)
96.	Oakland County, MI	United Cable	59,000 (10/85)
97.	Harrisburg, PA	Sacramento Communications	58,600 (7/85)
98.	Westchester, CT	UA CableSystems	58,380 (2/86)
99.	New Britain, CT	United Cable	58,282 (12/84)
100.	Bridgeport, CT	Cablevision Co./Scripps Howard	57,886 (7/85)

C4722-2A

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

PROGRAM PRICE DISCOUNTING DRAWS FIRE AT CATA '86

USA NETWORK IN MAJOR PROGRAMMING UPGRADE

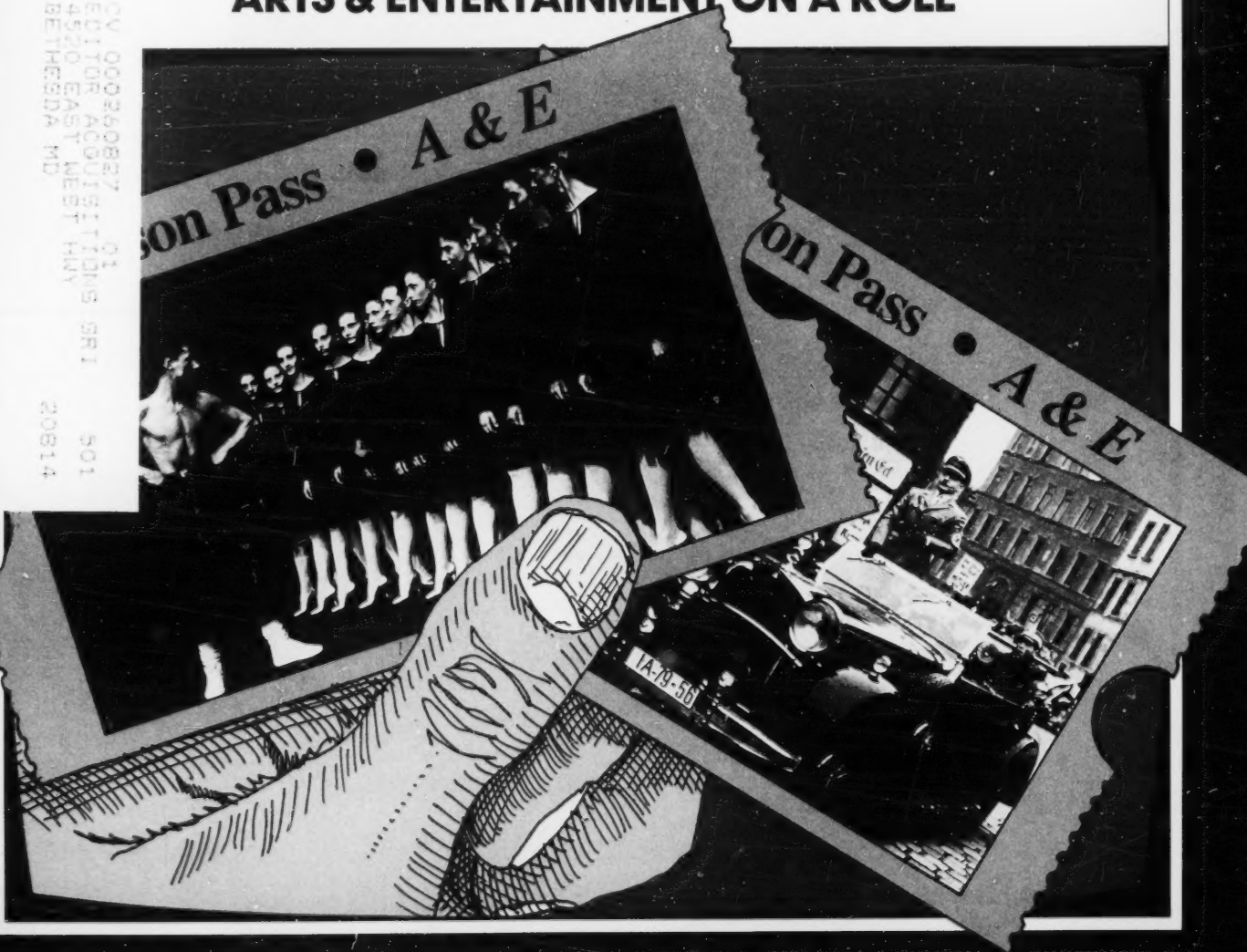
AMERICAN CABLESYSTEMS EMERGES AS A MAJOR L.A. PLAYER

PERVASIVE IMPULSE PPV TESTING PRODUCES DIVIDENDS

TECH TRAINING ON UPSWING BUT HAS LONG WAY TO GO

**THE TICKET TO SELLING UPSCALE:
ARTS & ENTERTAINMENT ON A ROLL**

CV 000260827 01
EDITOR ACQUISITIONS SRI 501
4520 EAST WEST HWY
BETHESDA MD 20814



CableVision

FRONTLINE

CATA '86 12
CATA convention attendees focused on bulk discounting and operator control of new programming ventures at the final CATA annual show.

USA acquisition 16
USA Network has made its biggest programming acquisition play ever.

American's new era 17
American Cablesystems continues to broaden its horizons with the agreement to manage and later purchase CommuniCom cable system in Los Angeles.

ATC not conceding yet 18
The appointment of Nicholas as chief operating officer of Time Inc. is one of many signs that ATC isn't ready to concede industry dominance to TCI just yet.

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MANAGEMENT

Training technicians 30
Technician training is starting to get some long-awaited attention, but most experts say the industry is a long way from the level of quality that's needed.



ON DEMAND

PPV hardware 38
Impulse PPV is getting its first major testing; the results indicate a promising future, but refinements are needed.

LAW AND REGULATION

In the middle 47
Despite urgings from cable's traditional opponents, the FCC isn't likely to consider limiting the size of the MSOs.

BUSINESS

TCI strikes again 48
TCI has agreed to acquire controlling interest in UA Cablesystems, a move that will add another 740,000 subscribers to TCI's numbers.

Simple strategy 50
C4's strategy of acquiring suburban and rural systems, and paying cash for them, seems to be working; by the end of the year, C4 expects to grow 1,000 percent.

FROM WASHINGTON

Must-carry decision 63
The time for the FCC to decide on a must-carry proposal is approaching fast; the past weeks have seen a myriad of alternative proposals.



COVER STORY

A&E on the move 20
On the verge of moving into the black, Arts & Entertainment Network is showing a penchant for high-quality programming can be successful.

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next two months.

September

Big Trouble (10/1) MPAA Rating: Running Time: 93 mins. Cast: Alan Arkin, Peter Falk, Robert Stack, Charles Durings, Beverly D'Angelo	Columbia
Care Bears II: New Generation (9/1) MPAA Rating: G Running Time: 77 mins. Cast: Animated	Columbia
French Lesson (9/1) MPAA Rating: PG Running Time: 90 mins. Cast: Jane Snowden, Alexandre Sterling, Diana Blackburn, Oystein Wiik	Warner Bros.
Gung Ho (9/10) MPAA Rating: PG-13 Running Time: 111 mins. Cast: Michael Keaton, Cedde Watanabe, George Wendt	Paramount
Highlander (9/4) MPAA Rating: R Running Time: 106 mins. Cast: Sean Connery, Christopher Lambert, Clancy Brown, Roxanne Hart	20th Century-Fox
Jake Speed (9/23) MPAA Rating: PG Running Time: 104 mins. Cast: Wayne Crawford, Dennis Christopher, Karen Kopins, John Hurt	New World
The Long Shot (*) MPAA Rating: PG-13 Running Time: 89 mins. Cast: Tim Conway, Harvey Korman, Jack Weston	Orion
Lucas (9/4) MPAA Rating: PG-13 Running Time: 100 mins. Cast: Corey Haim, Kerri Green, Charlie Sheen, Courtney Thorne-Smith	20th Century-Fox
Mountaintop Motel (9/23) MPAA Rating: R Running Time: 95 mins. Cast: Bill Thurman, Anna Chappell, Will Mitchell	New World
Out of Africa (9/18) MPAA Rating: PG-13 Running Time: 161 mins. Cast: Robert Redford, Meryl Streep, Klaus Maria Brandauer	Universal
Young Blood (9/11) MPAA Rating: R Running Time: 110 mins. Cast: Rob Lowe, Cynthia Gibb, Patrick Swayze	United Artist
Young Sherlock Holmes (9/10) MPAA Rating: PG-13 Running Time: 109 mins. Cast: Nicholas Rowe, Alan Cox, Sophie Ward	Paramount

October

After Hours (10/1) MPAA Rating: R Running Time: 98 mins. Cast: Rosanna Arquette, Cheech & Chong, Teri Garr, Griffin Dunne	Warner Bros.
April Fool's Day (10/1) MPAA Rating: R Running Time: 90 mins. Cast: Jay Baker, Deborah Foreman, Griffin O'Neal	Paramount
Back To The Future (10/30) MPAA Rating: PG Running Time: 116 mins. Cast: Michael J. Fox, Christopher Lloyd, Lea Thompson	Universal
Band of The Hand (10/11) MPAA Rating: R Running Time: 110 mins. Cast: Stephen Lang, Michael Carmine, Lauren Holly, John Cameron Mitchell	Tri-Star
Cut and Run (10/21) MPAA Rating: R Running Time: 87 mins. Cast: Lisa Blount, Leonard Mann, Willie Aames	New World
F/X (10/1) MPAA Rating: R Running Time: 108 mins. Cast: Bryan Brown, Brian Dennehy	Orion
9½ Weeks (10/2) MPAA Rating: R Running Time: 113 mins. Cast: Mickey Rourke, Kim Basinger	MGM
No Retreat, No Surrender (10/21) MPAA Rating: PG Running Time: 85 mins. Cast: Kurt McKinney, J.W. Fails, Ron Pohnel, Kathie Sileno	New World
Pretty In Pink (10/1) MPAA Rating: PG-13 Running Time: 96 mins. Cast: Molly Ringwald, Andrew McCarthy, John Cryer	Paramount
Strippers (*) MPAA Rating: R Running Time: 90 mins. Cast: Sara Costa, Janette Boyd, Loree Menton, Lisa Suarez, Danyel	20th Century-Fox
Torment (10/21) MPAA Rating: R Running Time: 85 mins. Cast: Taylor Gilbert, William Witt, Eve Brenner	New World

Note: Running times are approximate.

Film information provided to International Thomson Communications Inc. by studios.

NR indicates film not rated by MPAA.

* Release date unavailable at presstime.

Pay Per View Services Profile

Service:	Request Television	Viewer's Choice	Telstar Channels
Launch:	November 27, 1985	November 26, 1985	June 5, 1986
Delivery:	Galaxy 1, transponder 12	VC-1 Satcom 3R, transponder 5 VC-2 Galaxy 1, transponder 16	Interrum standalone, presently testing on Telstar 303
Encryption:	M/A-COM VideoCipher II	M/A-COM VideoCipher II	Presently testing General Instrument Starloc IV
Programming:	Two to four major motion pictures per week, special events	One major motion picture per week, special events	Channels 1&2: two major motion pictures on biweekly rotation, Channel 3: two major motion pictures per week, special events
Subscribers:	Available in systems serving 1.6 million subs (1.1 million addressable)	1.2 million addressable subs.	Available in systems serving 34,000 subs (7,500 addressable).

CABLE STATS

Brokerage Chart

A survey of brokerage activity in the cable industry during the second quarter of 1986.*

Communities Served	Seller	Buyer	Broker	Basic Subscribers	Homes Passed
Orofino, Idaho and nearby communities	Clearwater Communications	Chambers Communications of Idaho	Henry Ansbacher	3,500	4,500
Monroe, WI	Total TV of Wisconsin	James Communications	Henry Ansbacher	9,500	20,000
Mumfordsville, Tompkinsville, Edmonton, Albany, Burkesville, Kent.	Mid-Kentucky Cable	C4 Media Corp.	Communications Equity Assoc.	3,232	4,500
Princeton, Wyand, Tiskilwa, Ill.	Princeton Cable	Enstar Communications	Communications Equity Assocs.	3,701	4,120
Systems serving nine counties in Kent., and one county in Tenn.	Tomberlin Technology Inc.	C4 Media Corp.	Communications Equity Assocs.	7,200	13,000
Walla Walla, College Place, Wash.	Group W	McCaw Comm. Co.s Inc.	Communications Equity Assocs.	9,235	14,869
Plattsburgh, N.Y. Plattsburgh AFB and nine contiguous towns	Gateway Cablevision	James & Assocs.	Communications Equity Assocs.	12,500	18,300
Systems in Kent., Ohio, Tenn. and Ill.	Matrix Enterprises Inc.	First Carolina Comm. Inc.	Communications Equity Assocs.	42,000	94,436
Clark County, Ind., Oldham County, Kent.	Daniels & Assocs.	Insight Communications	Daniels & Assocs.	14,800	12,000
Seneca, S.C.	Daniels	Northland Communications	Daniels & Assocs.	16,000	28,600
Dearborn, Mich.	Group W	Alan Gerry	Daniels & Assocs.	21,500	41,750
Hoboken, N.J.	Prime Cable	Sutton Capital	Daniels & Assocs.	25,000	45,000
Ft. Wayne, Ind.	Citizens Cable	Comcast Cable Comm.	Daniels & Assocs.	50,000	98,000
MSO serving subscribers in several states	Tribune Cable Comm.	Jones Intercable	Daniels & Assocs.	155,722	318,000
Beach, Belfield, N.D.	Signal Cable TV Gateway Cablevision	Midcontinent Cable	Charles Greene Assocs.	742	1,200
Northampton, Bertie, Washington, Currituck, Camden and Tyrell counties, N.C.	Cable East Inc. Cable South Inc.	C4 Media Corp.	Charles Greene Assocs.	5,300	9,821 (4,894 to be passed)
Portions of Colon and Burr Oak Townships, Colon, Burr Oak, Litchfield and Reading, Mich.	Cascade Cable Corp. Pioneer Limited Partnership	Communications & Cablevision Inc.	Pat Thompson Co.	1,300	1,500
Flat Lick, Bimble, Hinkle, Walker, Scalf, Himyar, Rockhold, Faber, Woodvine, portions of Knott and Whitley Counties, Kent.	All Vu Cable TV Inc., Southeastern Cablevision Inc.	Communications Corp. of America	Pat Thompson Co.	2,200	3,000
Port O'Connor, Seadrift, Corpus Christi Naval Station, George West, Orange Grove, Chase Naval Air Station, Texas	South Texas Cable Television Inc. Seadrift Cable TV Partnership Inc. Port O'Connor Cable TV Partnership Inc.	Tele-Communications Inc.	Pat Thompson Co.	2,600	4,800
Craine, Fogerton, O'Neida, portions of Lesley and Clay counties, Kent.	Community Antenna Systems	Communications Corp. of America	Pat Thompson Co.	2,900	3,100
Hillsborough, Fla.	Orcable Ltd., DBA Appolo Cablevision	Cablevision Industries	Pat Thompson Co.	7,000	15,000
Oviedo, Orange County and Seminole County, Fla.	Orcable Ltd. DBA Evans Cablevision	Cablevision Industries	Pat Thompson Co.	15,000	30,000
Alma, Dora, Ark. Spiro, Okla.	Transwestern Video Inc.	Razorback Cable Associates Limited Partnership	Waller Capital Corp.	1,000	3,500
10 towns in Southwest South Carolina, suburban Knoxville, Tenn., and portions of Sevier County, Tenn.	Telephone Data Systems Inc.	First Carolina Communications	Waller Capital Corp.	13,500	24,500

* This chart will appear quarterly. Listings are provided by brokerages; some are partial. Information on transactions closed within a given quarter should be forwarded to CableVision Magazine, Attn: CableStats, P.O. Box 5208 T.A., Denver, CO 80217, within 10 days following the close of each quarter. (First quarter—January through March; 2nd quarter—April through June; 3rd quarter—July through September; 4th quarter—October through December.)

National cable advertising

This chart lists national advertisers on the basic cable networks. Some listings are partial.

Arts & Entertainment

American Express (R)
American Honda (N)
Architectural Digest (R)
Armour-Dial (R)
AT&T (various divisions) (R)
Bridge Publications (N)
Burger King (N)
Chevrolet (R)
Ford Motor Co. (R)
Fortune Magazine (R)
Foster Parents Plan (R)
Fresh Step (N)
General Motors (R)
Gillette (N)
Grey Poupon (N)
Kikkoman (R)
MasterCard (R)
Natural History Magazine (R)
New Yorker Magazine (R)
Nissan Motors (N)
S.C. Johnson (R)
Sears Discover Card (R)
Time Magazine (R)
Transamerica (N)
U.S. Sprint (N)
Visa (R)
Wells Fargo (R)
Zenith (R)

BET

A&M Records (N)
American Beauty Products (R)
Anheuser-Busch (R)
Bristol Meyers (R)
British Knights (N)
C.B. Fleet Co. (N)
Capitol Records (N)
Carson Products (R)
Chevrolet (N)
Clorox (N)
Coca-Cola (R)
Eastman Kodak (R)
Ford Motor Co. (R)
General Mills (N)
Hershey (R)
J.C. Penney (R)
Johnson & Johnson (R)
KFC Corp. (R)
M&M Products Co. (R)
McDonald's (R)
Mobil Oil (R)
Pepsi Cola (R)
Pro-line (R)

Procter & Gamble (R)
Quaker Oats (R)
Seagram Wine Co. (N)
Sears Roebuck & Co. (R)
Thompson Medical (R)
Time + Life Inc. (N)
U.S. Army Recruiting Command (R)
Warner Lambert (R)
Wendy's International Inc. (R)

C-SPAN*

AFSCME
Centel
DuPont
Gannett Foundation
General Instrument
John D. & Catherine MacArthur Foundation
McKesson Corp.
National Education Assoc.
Northern Telecomm.
NuMedia Corp.
Time Inc.
Times Fiber
TLL Temple Foundation

The Discovery Channel

† American Heritage
Architectural Digest
Barron's Weekly
Bird Talk
Cat Fancy
Changing Times Magazine
Charles Schwab
Consumer Reports
CUNA Life Insurance
Dreyfus Fund
Field Publications
Forbes Magazine
Golf Digest
Guidepost Magazine
Home Magazine
Life Magazine
McCall's Magazine
National Business Employment Weekly
National Geographic World Magazine
Newsweek Magazine
Prudential Insurance
Psychology Today
Standard & Poors
The New Yorker Magazine
Time + Life Books
Transamerica Insurance
TV Guide

U.S. News & World Report
Wall Street Journal

FNN

AT&T (R)
All-American Sports (N)
American Cyanamid (N)
American Express Gold Card (N)
Anheuser-Busch (R)
Apache Trading (N)
Best Western (N)
Bureau of Business Practices (N)
Charles Schwab (R)
Chicago Board of Trade (N)
Chicago Mercantile Exchange (N)
Chrysler (R)
Clayton Brown (N)
Computer Sports (N)
CSX Corp. (N)
Diner's Club (N)
Dow Jones (R)
Dreyfus (N)
Emery Air Freight (N)
Forbes Magazine (N)
Ford Corp. (R)
GMAC (R)
Golden Nugget (N)
The Hartford Insurance (N)
Harris Corp. (N)
Hong Kong Tourist Bureau (R)
International Trading Group (N)
Interx (N)
ITT (R)

The Learning Channel

California Beef Council (R)
Charles Schwab (R)
Esquire Magazine (N)
Forbes Magazine (N)
Home Magazine (N)
Time + Life Books (R)
Wall Street Journal (R)

The Silent Network

Best Western
Campbell's Soups
Hallmark Cards
Kal Kan
Mattel Toys
Ultratec TDD

Tempo Television

AT&T

Bass Pro Shops
Bayer
Beechnut
Budweiser
Casio
Chum'n Rub
Continental Airlines
Evenflo
Fisher-Price
Gerber
Heinz
Hilton Hotels
Huggies
Ivory Snow
Johnson & Johnson
Johnson Reels
Johnson Silver Minnow
Kodak
Little Stinker Bate Co.
Maytag
National Rifle Assoc.
Norelco
Playboy Magazine
Playtex
Redman Chewing Tobacco
Rubbermaid
Sears
Time + Life Books
Tropicana
United Airlines
Valvoline
Vaseline
Windjammer
Yamaha

The Weather Channel†

Amana
Ameritone
Champion Spark Plugs
Chevrolet
Clorox
Firestone Tire and Rubber
General Foods
Kraft Foods
Michelin
Oscar Meyer
Pearle Vision Centers
Proctor & Gamble
Quaker Oats
S.C. Johnson
Tender Corp.
United Airlines
Warner Lambert

R denotes renewal client.
N denotes new client.

†New and renewal information not available.

*Listing is comprised of program underwriters.

Source: Advertising clients are provided by the programs services to International Thomson Communications Inc.

C4720-2

CableVision

AUGUST 18, 1986

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

**FCC ROILS REGULATORY WATERS IN MUST CARRY MOVE
HEARINGS AND M/A-COM/GI DEAL SPICE SCRAMBLING ISSUE
GO-SLOW ATTITUDE GOVERNS BASIC RATE HIKE DISCUSSION**

**NATIONWIDE TAXING BLITZ STIRRING CABLE TO ACTION
THE SWAP ADVANTAGE: TCI/TIMES MIRROR DEAL A CASE IN POINT**

**THE REQUEST PLAN IN ACTION:
'OUT OF AFRICA' LOOMS BIG**



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General Instrument, in a move expected to stabilize its petition as the industry's leading equipment supplier, will acquire M/A-COM's cable home communications group.

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The recent round of scrambling hearings reveals that Congress may be reluctant to act on the packaging issue, but it will if progress isn't made by the cable industry.

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A variety of forces shaping up to accelerate the pace of consolidation in cable, according to experts who spoke at the recent Eastern Cable Show in Atlanta.

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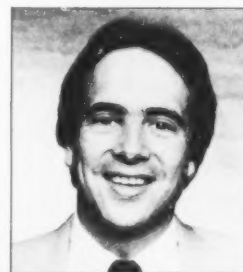
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Times Mirror Cable and Tele-Communications Inc. have completed the second largest system swap in the industry's history, giving both MSOs additional subscribers to add to system clusters.



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The fortunes of Request TV should get an important boost with the release of the Meryl Streep/Robert Redford blockbuster "Out of Africa" in September. Universal, which is offering the film to standalone PPV outlets and exclusively to Request as a national PPV service, represents one reason the Request strategy is working.



Film product comparison-September

Film	Pay Networks	Distributor	Film	Pay Networks	Distributor
Act of Vengeance	HBO*	Telepix	Duel In The Sun	HTN	ABC Video
Adventures of Huckleberry Finn, The	TMC (HTN)	Transcon	Dusty	(ST) TMC	Castle Hill
Adventures of A Plumber's Mate, The	ST	Miramax	East of Eden	TMC	Warner Bros.
Airplane!	(HBO) (TMC)	MAX	Eddie & The Cruisers	ST	Embassy
All of Me	(HBO) (ST) TMC* (HTN) (MAX)	Universal	Edge of the City	ST	MGM UA
American Flyers	HBO	Warner Bros.	Electric Dreams	HBO	MGM UA
American Ninja	ST	Cannon	El Norte	TMC	Cinecom
And Now For Something Completely Different	ST	Columbia	Elvis On Tour	TMC	MGM UA
Anne's Story	HTN*	MAX	Elvis That's The Way It Is	ST	MGM UA
April In Paris	TMC	CBC	Emerald Forest, The	ST	Embassy
Apology	HBO	Warner Bros.	Empire Strikes	ST	Lucasfilm Ltd.
Arrangement, The	TMC	Peregrine	Back, The	(HBO) TMC* (TMC)	HTN (MAX)
As Summers Die	HBO*	Warner Bros.	Endgame	(TMC)	MAX
Auntie Mame	HBO	Telepictures	Enter The Dragon		MAX
Aviator, The		Warner Bros.	Everything I Have Is Yours	ST	MGM UA
Baby: The Secret of the Lost Legend	HBO*	MGM UA	Evil That Men Do, The	HBO	Tri-Star
Bad Boys	HBO	Disney	Excilbur	ST	MAX
Bad News Bears In Breaking Training, The	HBO	Thorn-EMI	Expert, The	ST	MAX
Barry Lyndon	(HBO)	Paramount	Extraordinary Seaman, The		MGM UA
Beastmaster, The		Warner Bros.	Failsafe	TMC	Columbia
Best Revenge	HBO	MGM UA	Falcon and The Snowman, The		MAX
Big Brawl, The		Lorimar	Father of The Bride	(HBO)	Orion
Big Hand for the Little Lady, A		Warner Bros.	Final Justice		MGM UA
Big Street, The		MAX	Finnegan Begin Again	HBO	Simcom
Bill Cosby "Himself"	(HBO) (ST) TMC (HTN) (MAX)	MAX	Flamingo Kid, The	HBO	Consolidated
Bizet's Carmen		20th Century-Fox	Flesh & Blood	(HBO)	Universal
Black Narcissus		Columbia	Fletch		Orion
Blithe Spirit		New Century	French Woman, The		Universal
Blood Alley	ST	New Century	Funny Farm, The	ST	Film Gallery
Blood Simple	(HBO)	Warner Bros.	Gentleman Tramp, The		New World
Blue Hotel, The	ST	Circle Releasing	Ghostbusters	HBO*	20th Century-Fox
Blue Skies Again	HBO*	Cinema Signal	Girls Just Want To Have Fun	HBO*	Columbia
Body Double	(HBO)	Warner Bros.	Give My Regards To Broad Street		New World
Breakfast Club, The	HBO	Columbia	Global Affair, A	HBO	20th Century-Fox
Brewster's Millions	HBO*	MAX	Goodbye Cruel World	(ST) TMC	MGM UA
Bride, The		MGM UA	Goodbye Emmanuelle	TMC	Sharp Features
Brigadoon		MAX	Graffiti		Miramax
Brother From Another Planet, The		Film Gallery			MAX
Buddy Holly Story, The		Orion			American Film Institute
By The Light of the Silvery Moon		MAX*			
California Suite	TMC	Warner Bros.	Grandview U.S.A.	HBO	(MAX) CBS
Camelot	TMC*	Columbia	Grease	(ST) (TMC)	MAX*
Candidate, The	TMC (HTN)	Warner Bros.	Gremlins	(ST) (TMC)	Paramount
Cannery Row	TMC	Warner Bros.	Grey Fox, The	HBO	(MAX) Warner Bros.
Captain Horatio Hornblower		MGM UA	Gymkata	(HBO)	(MAX) Media Home
Carbine Williams	ST	Warner Bros.	Harry O		MAX
Careful, He Might Hear You	(HBO) (ST) TMC (HTN)	MGM UA	Heartbreakers	HBO	(MAX) Warner Bros.
Cause Fire	HBO	20th Century-Fox	Heated Vengeance		Orion
Change of Seasons, A		MAX	Heatwave		MAX
Chariots of Fire	(ST)	MAX	Highpoint		Transcon
Charlie Chan And The Curse of The Dragon Queen	HBO	MAX	Honey-moon With A Stranger	(HBO) (ST) TMC	HTN
City Heat	(ST) TMC	American	Hot Moves	ST	20th Century-Fox
City Lights	(ST) HTN*	Warner Bros.	Hot Resort	(HBO) (ST)	R.K. Video
Clairvoyant, The		Warner Bros.	Idolmaker, The		Cannon
Clockwork Orange, A	(HBO)	20th Century-Fox	I'll Be Seeing You	ST	MAX
Close to My Heart		Warner Bros.	Impulse	ST	MAX
Code of Silence	HBO*	Orion	Indecent Obsession, An	ST	MAX
Cold Room, The	HBO	Jethro Films	Invasion USA	ST	MAX
Conan The Destroyer	(HBO) (ST) TMC (HTN)	Universal	Island of 1000 Delights	ST	MAX
Conquest		Orion	Jesus		ABC Video
Cotton Club, The	(ST) TMC	MAX*	Jim Thorpe— All American		Universal
Country	(ST) TMC	Touchstone	Joey	(HBO)	MAX
Crisis		MGM UA	Joy of Flying, The	ST	MAX
Crossover Dreams	ST	Miramax	Joy of Sex, The	ST (TMC)	K-Pay
Cruel Sea, The		New Century	Just The Way You Are		Paramount
Daffy Duck's Movie: Fantastic Island	HBO	Warner Bros.	Karate Kid, The	HBO	(MAX) MGM
Dallas	ST*	Warner Bros.	Kate Morris, Vice President		(MAX) Columbia
D.A.R.Y.L.	(TMC)	Paramount	Kentucky Woman	HBO*	CBC
Deadly Force	TMC	Embassy	Key Exchange	(HBO)	20th Century-Fox
Desperately Seeking Susan		Orion	Killing Fields, The	(ST) TMC*	Warner Bros.
Devil Makes Three, The	HBO	MGM UA	King David	ST (TMC)	Paramount
Dreamscape	HBO	20th Century-Fox	King Richard And The Crusaders		Warner Bros.
Dream Wife	TMC*	MGM UA	La Balance		Spectre Films
			Ladyhawk	(HBO) (ST) TMC*	Warner Bros.
			Lady Vanishes, The	(HBO) (ST) TMC*	New Century
			Last Starfighter, The	(HBO) (ST) TMC*	Universal
			Last Warrior, The	(HBO) (ST) TMC*	Warner Bros.

Film	Pay Networks				Distributor
Last Winter, The	HBO				Tri-Star
Laura		ST*			Group S
Law & The Lady, The		ST			MGM/UA
Let's Spend The					
Night Together	HBO				Embassy
Life On the Mississippi			TMC (HTN)		Transcon
Lord of the Flies			TMC*		New Century
Lost In America	(HBO)	(ST)	(TMC)	MAX	Warner Bros.
Love and Death			TMC		MGM/UA
Louisiana (Pts. 1 & 2)				MAX	International Cinema Corp.
Made for Each Other				HTN*	ABC Video
Magnificent Dope, The			TMC	MAX	20th Century-Fox
Malibu Express		ST*		MAX*	W.P. Donnelly
Manhattan			TMC		MGM/UA
Man In The White					New Century
Suit, The			TMC		Warner Bros.
Man In The Wilderness	HBO				
Man Who Saw				MAX	Warner Bros.
Tomorrow, The	(HBO)			MAX	MGM
Martin's Day			HTN*	(MAX)	Universal
Mask	HBO*	(ST)	(TMC)	(HTN)	
Meanest Man In				MAX	20th Century-Fox
The World, The				MAX	MGM/UA
Merry Andrew		(ST)	TMC		Columbia
Micki & Maude	(HBO)			MAX*	20th Century-Fox
Mischief			TMC	(MAX)	Cannon
Missing In Action	HBO		(TMC)	HTN*	MGM
Mrs. Soffel				TMC	Showtime
Murder In Space				MAX	20th Century-Fox
My Blue Heaven				TMC*	Worldvision
My Brilliant Career					Disney
My Science Project	HBO*				Cannon
Naked Face, The		(ST)		MAX*	Warner Bros.
Neverending Story, The	(HBO)	ST		HTN*	MGM/UA
Never So Few			TMC*	(MAX)	ZIV International
Nickel Mountain	(HBO)			MAX	Universal
Night Hawks			TMC*	(MAX)	
Ninja III				MAX	Cannon
The Domination	(HBO)			MAX	Columbia
No Small Affair	(HBO)			MAX	Columbia
Obsession				MAX	Columbia
Oh, God! You Devil	(HBO)	(ST)	(TMC)	HTN*	Warner Bros.
Oklahoma City					Columbia
Dolls, The	HBO			MAX	Film Gallery
One Night Only					Warner Bros.
Operation Pacific			TMC		Warner Bros.
Pale Rider	HBO	(ST)	(TMC)		Warner Bros.
Pee Wee's Big Adventure	HBO	ST	TMC	(MAX)	Columbia
Perfect	HBO				Film Gallery
Perfect Timing		ST*		MAX	20th Century-Fox
Phar Lap	(HBO)		(TMC)	(HTN)	
Philadelphia				HTN*	(MAX) New World
Experiment, The				(MAX)	Warner Bros.
Police Academy II	HBO*	ST*	(TMC)		
Pope of Greenwich				(MAX)	MGM/UA
Village, The	HBO	(ST)	(TMC)		20th Century-Fox
Porky's Revenge		ST			
Pretty Maids All				TMC	MGM/UA
In A Row				(MAX)	Almi
Prime Risk	HBO			(MAX)	MGM/UA
Prisoner of War		ST		(HTN)	Tri-Star
Private Resort	HBO			(MAX)	MGM/UA
Prodigal, The		ST			Warner Bros.
Protocol	(HBO)	(ST)	TMC	(HTN)	Columbia
Professionals, The				MAX*	Warner Bros.
Purple Rain	(HBO)	ST*	(TMC)	(MAX)	
Purple Rose					
of Cairo, The	(HBO)			HTN*	Orion
Question of Honor, A		ST			Viacom
Rack, The			TMC*		MGM/UA
Rambo First Blood					
Part II	HBO			MAX	Tri-Star
Rainy Day, A				MAX	American Film Institute
Rare Breed	(HBO)			HTN	MAX
Real Genius				MAX	New World
Reckless Disregard			TMC*		Tri-Star
Reformer and The					Showtime
Redhead, The		ST			MGM/UA
Richard Pryor:					
Live In Concert	(HBO)	(ST)	(TMC)	MAX	G.P. Biller
Rio Bravo	HBO	(ST)	(TMC)	HTN*	Warner Bros.
River, The	(HBO)	(ST)		(HTN)	MAX*
River Niger, The			TMC		Universal
Rock & Rule	HBO*		(TMC)		Viacom
Roller Boogie	(HBO)			MAX	MGM/UA
Runaway	HBO				CMP
St. Elmo's Fire	HBO*				Tri-Star
Savannah Smiles	HBO		(TMC)	(MAX)	Columbia
Scream for Help	HBO				Embassy
Secret Admirer	HBO			(MAX)	Lorimar
Sensuous Nurse, The		ST*	(TMC)		Orion
Servant, The			TMC		Castle Hill
					New Century

Film	Pay Networks				Distributor
Sesame Street Presents					
Follow that Bird	HBO*	(ST)			Warner Bros.
Seven Magnificent					
Gladiators, The	HBO		TMC		Cannon
Sharma and Beyond					Film Gallery
Ship of Fools				MAX	Columbia
Silverado	HBO			MAX	Columbia
Since You Went Away				HTN	ABC Video
Soldier's Story, A	(HBO)			MAX*	Columbia
Some Kind of Hero			(TMC)	MAX*	Paramount
SPFX-Making of Empire				HTN	20th Century-Fox
Stage Fright			TMC	MAX	New Century
Stalking Moon, The			TMC	(MAX)	Warner Bros.
Stand Alone	HBO				New World
Star Trek III		ST	(TMC)		Paramount
Stephen King's					
Cat's Eye	HBO*			(HTN)	MGM/UA
Stick	(HBO)	(ST)	TMC*	(MAX)	Universal
Stone Boy, The	(HBO)		(TMC)	HTN*	(MAX) 20th Century-Fox
Stowaway In The Sky		ST			Janus Film
Strange Fruit				MAX	American Film Institute
Stratton Story, The			TMC	(MAX)	MGM/UA
Streets of Fire	(HBO)		(TMC)	HTN	Universal
Super Girl				MAX*	Tri-Star
Superman		ST	TMC		Warner Bros.
Sweet Dreams	HBO			MAX	Silver Screen
Sweet Rosie O'Grady				MAX	20th Century-Fox
Sweetwater				MAX	American Film Institute
39 Steps, The			(TMC)	(HTN)	MAX
2010	(HBO)	(ST)		HTN*	(MAX) New Century
Teachers	(HBO)		(TMC)	HTN*	(MAX) MGM/UA
Teen Wolf				HTN	(MAX) Atlantic Releasing
Tender Cousins				MAX	Crown Int'l
Tender Is The Night		ST			Showtime
Terror In The Aisles	HBO		(TMC)	(MAX)	Universal
Thank God Its Friday				MAX	Columbia
That's Dancing				HTN*	(MAX) MGM/UA
These Thousand Hills				MAX	20th Century-Fox
They All Laughed				MAX	TLF
Three Women			TMC		20th Century-Fox
Ticket to Hollywood			TMC		Atlantic
Tin Man				HTN	Goldfarb
Tomboy	(HBO)		TMC		Crown Int'l
Turk 182!	HBO	(ST)	TMC	(MAX)	20th Century-Fox
Two Soldiers				MAX	American Film Institute
Utilities					The Movie Store
Vamping		ST	TMC*	(HTN)	Atlantic
Victor/Victoria			(TMC)		MAX*
V.I.P.'s, The			TMC*		MGM/UA
Voice In Exile				MAX	American Film Institute
War Brides				HTN*	CBC
Weird Science	(HBO)	ST*	(TMC)	HTN*	Universal
Wicker Man, The			TMC		David Armstrong
Women In Love			TMC*		MGM/UA
Wrong Is Right	HBO			HTN	Columbia
Xanadu			TMC	MAX	Universal
Zapped	HBO		(TMC)	(MAX)	Embassy
Zoo Gang, The	HBO				New World

Cable Network Legend:
HBO-Home Box Office
ST-Showtime
TMC-The Movie Channel
HTN-Home Theater Network
MAX-Cinemax

■ Networks in parentheses indicate carriage in April, May, June, July and/or August.

■ An asterisk indicates the film is a carry-over from April, May, June, July and/or August.

■ In total, 281 films appear on the September schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, eight have played on all five services, 21 have played on four of the five services, 31 have played on three services and 82 have played on two of the five services. One hundred and thirty-nine titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV in September is Warner Bros. with 46, followed by MGM/UA with 42, 20th Century-Fox with 21, Columbia with 20 and Universal with 15.

■ Titles subject to change.

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
Cable Radio Network	4
Cable Value Network	18
CBN Cable Network	8
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	4
Genesis Storytime	8
HBO (West)	13
HSN2	2, 16
HTN	16
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Reuter Monitor Service	18
Showtime (West)	10
Studioline	19
Tempo Television	6
TV Decisions	24
Trinity Broadcasting Network	3
Video Hits One	15
Viewer's Choice	5
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
Biznet	6
Bravo	2
Hit Video USA	18
Home Sports Entertainment	11
Home Team Sports	22
Innovations In Living (HSN2)	1
Liberty Broadcasting Network	7
Madison Square Garden	6
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	12
Pratco TV Shopper's Showcase	14
Prime Ticket	20
Rock Christian Network	3
The Silent Network	23V
SportsVision	9
WPIX—New York	19

Westar III (Western Union)

Transponder

CNN	5
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Westar V (Western Union)

Transponder

Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

Transponder

American Extasy	19
Country Music Television (CMTV)	18
KTVT (Dallas)	22
SelecTV	13

Galaxy I (Hughes)

Transponder

Alternate View Network	22
CBN Cable Network	11
Cinemax (East)	19
CNN	7
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Studioline	13
WGN	3
WOR-TV	15
WTBS	18

Note: A company name in parentheses following a service or network designates the transponder owner.

Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs
1.	Tele-Communications Inc.	3,778,621 (11.85)
2.	American Television and Communications Corp.	2,700,000 (12.85)
3.	Group W Cable	2,162,000 (10.85)
4.	Storer Cable Communications	1,568,000 (6.86)
5.	Cox Cable Communications	1,331,152 (6.86)
6.	Warner Cable Communications Inc.	1,258,945 (6.86)
7.	Continental Cablevision	1,198,000 (6.86)
8.	United Cable	999,000 (3.86)
9.	Newhouse Broadcasting	972,377 (4.86)
10.	Viacom Cablevision	829,000 (1.86)
11.	Times Mirror Cable Television Inc.	822,669 (6.86)
12.	Jones Interchange	767,676 (7.86)
13.	UA Cablesystems Corp.	735,431 (2.86)
14.	Heritage Communications Inc.	724,426 (6.86)
15.	Sanmons Communications Inc.	708,609 (12.85)
16.	Cablevision Co.	602,612 (5.86)
17.	Comcast	568,711 (3.86)
18.	Rogers Cablesystems Inc.	534,241 (6.86)
19.	Scripps Howard	509,673 (6.86)
20.	Telecable Corp.	467,941 (3.86)
21.	Prime Cable Corp.	413,000 (7.86)
22.	McCaw Communications	379,800 (4.86)
23.	Post-Newsweek	360,000 (2.86)
24.	Wometco Cable TV Inc.	354,283 (7.86)
25.	Centel Cable	354,051 (6.86)
26.	Cable Vision Industries	330,883 (4.86)
27.	American Cablesystems Corp.	323,187 (4.86)
28.	Century Communications Corp.	318,060 (12.85)
29.	Falcon Cable	302,000 (6.86)
30.	Daniels & Associates	299,227 (4.86)
31.	Multimedia Cablevision	278,113 (5.86)
32.	TCA Group Media Cable	255,869 (3.86)
33.	Tribune Cable Communications	245,079 (3.86)
34.	Colony Communications Inc.	242,956 (6.86)
35.	Maclean Hunter Cable TV Ltd.	241,297 (6.86)
36.	Adelphia Communications	212,660 (6.86)
37.	Rollins Cableview Inc.	210,500 (6.86)
38.	Tele-Media	210,000 (7.86)
39.	Service Electric Cable TV Inc.	195,000 (7.86)
40.	TCI-Taft	181,745 (6.86)
41.	Communications Service Inc.	179,000 (2.86)
42.	Western Communications	175,502 (7.86)
43.	TKR Cable Co.	172,026 (3.86)
44.	Cabletelevision	170,684 (7.86)
45.	Sutton Capital Corp.	166,561 (2.86)
46.	Rifkin & Associates	155,193 (2.86)
47.	Adams-Russell Communications	151,449 (5.86)
48.	Cencom Cable	150,867 (5.86)
49.	Harte-Hanks Communications	144,514 (2.86)
50.	Harron Communications	132,644 (7.86)
51.	Buckeye Cablevision	126,047 (4.86)
52.	Lenfest Group	125,731 (2.86)
53.	Greater Media Cable	124,662 (3.86)
54.	Harris Cable Corp.	122,955 (4.86)
55.	Armstrong Utilities	120,061 (2.86)
56.	Televents Inc.	117,787 (3.86)
57.	Sonic Communications	109,916 (3.86)
58.	Summit Communications	109,775 (5.86)
59.	Media General Inc.	107,440 (2.86)
60.	Communications Systems Inc.	107,000 (4.86)
61.	The Essex Group	105,166 (5.86)
62.	Multi-Channel TV Cable Inc.	101,874 (4.86)
63.	U.S. Cable Corp.	98,900 (2.86)
64.	Booth Communications	97,671 (7.86)
65.	First Carolina Communications Inc.	94,100 (2.86)
66.	Simmons Communications	91,890 (2.86)
67.	King Videocable	91,373 (4.86)
68.	Perry Cable TV Corp.	90,215 (1.86)
69.	McDonald Group	90,079 (8.84)
70.	Cable Management Associates	88,201 (1.86)
71.	Marcus Communications	83,888 (4.86)
72.	WEHCO Video Inc.	83,510 (1.86)
73.	Palmer Communications	80,449 (7.86)
74.	Columbia Associates	80,000 (7.86)
75.	Midcontinent Cable Systems Co.	75,848 (5.86)
76.	Omega Communications	74,213 (6.86)
77.	Susquehanna Broadcasting	72,235 (1.86)
78.	Pencor Services Inc.	71,525 (2.86)
79.	Northland Communications Corp.	68,000 (4.86)
80.	Selkirk Communications	62,000 (2.86)
81.	National Telecommunications Corp.	61,625 (1.86)
82.	The Daily Press	60,100 (6.86)
83.	Helicon Corp.	55,000 (2.86)
84.	Mountain Cable Co.	55,000 (4.86)
85.	Massada Corp.	54,570 (2.86)
86.	Acton Corp.	54,529 (2.86)
87.	Cardinal Communications	53,200 (7.86)
88.	United Video Management	52,816 (6.86)
89.	Wisconsin Cablevision and Radio Co.	49,153 (1.86)
90.	Chambers Cable Comm. Inc.	48,643 (4.86)
91.	Communicon	47,694 (1.86)
92.	State Cable TV	45,922 (3.86)
93.	Joseph Gans Cable TV	45,679 (6.86)
94.	Bresnan Communications Co.	44,800 (2.86)
95.	New England Cablevision	42,978 (5.86)
96.	Cable Holdings Inc.	42,344 (2.86)
97.	Dorsey Cablevision	42,259 (2.86)
98.	Dowden Communications	42,100 (4.86)
99.	North American Comm. Corp.	37,710 (6.86)
100.	Enstar Communications	35,630 (4.86)

Top 100 systems

Rank	Location	Operator	Basic subs
1.	San Diego, CA	Cox Cable	270,867 (6.86)
2.	Woodbury (Long Island), NY	Cablevision Co.	242,497 (6.86)
3.	Manhattan, NY	ATC	219,600 (12.85)
4.	San Antonio, TX	Rogers	199,359 (6.86)
5.	Houston, TX	Warner	193,522 (6.86)
6.	East Orange	Maclean Hunter	184,198 (6.86)
7.	Honolulu, HI	ATC	164,300 (12.85)
8.	Puget Sound, WA	Viacom	163,693 (5.86)
9.	Hartford/New Britain	United Cable	153,570 (7.86)
10.	Cincinnati, OH	Warner	151,273 (6.86)
11.	Louisville/Jeff Co., KY	Storer Communications	148,000 (6.86)
12.	Wayne, NJ	UA Cablesystems	144,328 (12.85)
13.	Phoenix, AZ	Times Mirror	144,328 (6.86)
14.	Tulsa, OK	United Cable	140,333 (6.86)
15.	Englewood, CO	United Cable	137,375 (6.86)
16.	Cherry Hills, NJ	NYT	133,316 (5.86)
17.	Tidewater (Norfolk), VA	Cox	131,837 (6.86)
18.	Florida Division	ATC	128,100 (12.85)
19.	Orlando/Ormond Beach	Group W	127,000 (5.86)
20.	Seattle, WA	Prime Cable Corp.	126,319 (6.86)
21.	Atlanta, GA	Continental	124,000 (6.86)
22.	Jacksonville, FL	ATC	123,500 (12.85)
23.	Baltimore County, MD	Comcast	120,725 (5.86)
24.	Erie County, NY	Prime Cable Corp.	119,002 (11.85)
25.	Manhattan, NY	Group W	115,000 (5.86)
26.	Kansas City, MO	ATC	114,600 (12.85)
27.	St. Louis Co., MO	Cencom Cable	111,063 (1.86)
28.	San Jose, CA	Gill Industries	110,000 (5.86)
29.	Warren, NJ	TKR	110,000 (5.86)
30.	Austin, TX	ATC	109,700 (2.86)
31.	Memphis, TN	ATC	106,900 (12.85)
32.	San Juan, PR	Harris Cable Corp.	104,728 (4.86)
33.	Toledo, OH	Buckeye Cablevision	103,982 (4.86)
34.	Los Angeles, CA	Falcon	103,869 (4.86)
35.	Central Islip (Long Island), NY	Viacom	103,000 (9.85)
36.	San Francisco, CA	Viacom	98,300 (5.86)
37.	Jefferson Parish/Kenner, LA	Cox Cable	97,733 (6.86)
38.	Fairfax, VA	Media General	97,420 (2.86)
39.	Southwest Michigan	Comcast	96,100 (5.86)
40.	Wilmington, DE	Rollins Cableview	93,000 (6.86)
41.	San Diego, CA	ATC	92,200 (12.85)
42.	Seattle, WA	Viacom	92,000 (9.85)
43.	Grand Rapids, MI	General Electric	88,818 (5.86)
44.	Pompano, FL	American	88,440 (4.86)
45.	Dallas, TX	Heritage	85,922 (6.86)
46.	Richmond/Henrico, VA	Continental	85,000 (6.86)
47.	Pittsburgh, PA	Tele-Communications Inc.	84,517 (6.86)
48.	Dade/Broward, FL	Storer	83,000 (6.86)
49.	Indianapolis, IN	Indianapolis Cablevision Inc.	80,969 (5.86)
50.	Jackson, MS	ATC	80,700 (12.84)
51.	Wichita, KS	Multimedia Cablevision	80,138 (7.86)
52.	New Orleans, LA	Cox Cable	79,914 (11.85)
53.	Charlotte, NC	ATC	78,700 (12.85)
54.	Clearwater, FL	Vision Cable	78,600 (7.86)
55.	Flint, MI	Comcast Cable	77,208 (3.86)
56.	South Texas, TX	Heritage	76,931 (4.86)
57.	New Orleans, LA	Cox Cable	76,668 (6.86)
58.	Baton Rouge, LA	Cablevision Co.	76,518 (12.85)
59.	Tacoma, WA	Cable TV of Puget Sound	76,132 (5.86)
60.	Boston, MA	Cablevision	75,524 (3.85)
61.	Chicago, IL	Group W	75,000 (4.86)
62.	Santa Monica, CA	Group W	74,000 (6.86)
63.	South Bend, IN	Heritage	71,693 (6.86)
64.	South Texas	Heritage	70,470 (6.86)
65.	Las Vegas, NV	Prime	70,091 (5.86)
66.	Cleveland Heights, OH	Viacom	70,000 (9.85)
67.	Allentown, PA	Service Elec.	70,000 (7.86)
68.	Greensboro, NC	ATC	69,200 (12.84)
69.	Orange County, CA	Times Mirror	68,323 (6.86)
70.	Omaha, NE	Cox Cable	67,917 (11.85)
71.	Boston Complex	Warner	67,245 (6.86)
72.	Medford, MA		
73.	Akron, OH	Warner	66,501 (6.86)
74.	Chicago, IL	Group W	66,446 (12.85)
75.	Nashville, TN	Viacom	66,426 (5.86)
76.	Fayetteville, NC	ATC	66,200 (1.86)
77.	Ocean County, NJ	Adelphia	66,051 (6.86)
78.	Raleigh, NC	ATC	65,800 (12.84)
79.	Columbus, OH	Warner	64,679 (3.85)
80.	St. Petersburg, FL	Group W	64,478 (5.86)
81.	Indianapolis, IN	ATC	64,000 (12.85)
82.	Syracuse (suburban), NY	Tele-Communications Inc.	63,899 (12.85)
83.	Buffalo, NY	Tele-Communications Inc.	63,898 (8.85)
84.	Monterey, CA	Western Communications	63,429 (6.86)
85.	Des Moines, IA	Heritage	63,316 (6.86)
86.	New Haven, CT	Storer	63,000 (6.86)
87.	Madison, WI	Tele-Communications Inc.	62,099 (5.86)
88.	El Paso, TX	Group W	62,000 (10.85)
89.	Oklahoma City, OK	Cox Cable	62,000 (6.86)
90.	Santa Barbara, CA	Cox Cable	61,155 (6.86)
91.	Contra Costa Co., CA	Televents	61,000 (5.86)
92.	Snohomish County, WA	Viacom	61,000 (9.85)
93.	Sarasota, FL	Storer	61,000 (6.86)
94.	West Palm Beach, FL	Group W	60,000 (7.85)
95.	Mt. Prospect, IL	Cablenet	60,000 (3.85)
96.	Albany, GA	Storer	60,000 (6.86)
97.	Birmingham, AL	ATC	59,400 (12.84)
98.	Escondido, CA	Times Mirror	59,305 (6.86)
99.	Ft. Worth, TX	Sammons Communications	59,000 (7.85)
100.	Oakland County, MI	United Cable	59,000 (10.86)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217.

SEPTEMBER 1, 1986

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HOME VIDEO SWINGING TOWARD RETAIL PURCHASE DRIVE

**FALL FINANCIAL ROUNDTABLE:
BULL MARKET LOGISTICS AND PROGNOSIS**

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4520 EAST WEST HWY
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FRONTLINE

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The cable industry is going to get to pay its share of the higher national corporate tax burden under the tax reform bill, but how much is not yet certain.

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A variety of forces are converging in Washington to make 1987 the year to watch in the positioning of telcos for a run at information services.

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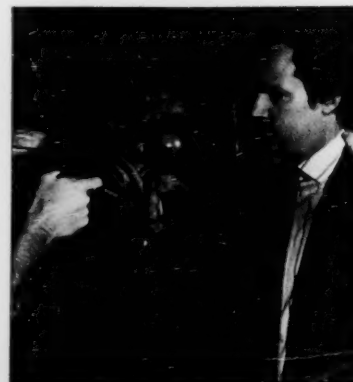
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The fall roundtable brings together Julian Brodsky, senior VP and CFO, Comcast Corp., Steven Dodge, chairman and CEO, American Cablesystems, Tom MacCrory, senior VP, Communications Equity Associates, and Bob Jones, executive VP and COO, Malarkey-Taylor Associates, for a two-part discussion of the bull cable market and the forces shaping its future. Photos by Candace Drake.

PROGRAMMING

Value of equity role debated

Deal fever opening home shop options to MSOs and subscribers

By Simon Applebaum

Home shopping via cable—fad or future revenue giant?

Few industry officials sound doubtful at this point about the potential of a business tied to the American public's penchant for buying cubic zirconium rings and other goods on impulse. And there's a tide of optimism flowing

lar earnings and stock performance all summer long. Some analysts believe that video shopping channels will generate about \$200 million to \$250 million in orders this year alone.

At least 13 would-be national video merchandisers are out stumping operators for clearances. Several more companies are expected to join the field by the end of the month. Major nation-

tail industry connection.

"Everyone jumping in reminds you of what happened with pay programming services 10 years ago and the activity in basic networks earlier in this decade," observes Margaret Behrends, program manager at TKR Cable in Warren, N.J. "People came in because of the opportunities, but duplication and inadequate channel capacity forced a lot of the players off. It's only a matter of time before that happens with home shopping, although the format will eventually prove appealing to a large audience."

"Shopping on cable has the potential to be much more than a fad, but whether the possibilities will be realized depends on how operators handle its development, along with the players themselves," surmises Robert Stengel, Continental Cablevision's pro-

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Hostess Carmela Richards of CVN's TV shopping program.

through the business community at large, thanks in part to the spate of consumer press reports on the subject. Recent stories devoted to Home Shopping Network, Cable Value Network and last month's introduction of FNN TelShop, Financial News Network's joint venture with merchandiser Comp-U-Card, tout the arrival of a major retailing medium destined to reap more than \$1 billion in sales a year by 1990.

Investment firms tracking all three services concur with that forecast, which is bolstered by HSN's spectacu-

lar earnings and stock performance all summer long. Some analysts believe that video shopping channels will generate about \$200 million to \$250 million in orders this year alone.

Most cable operators claim that it's too early to predict how big video shopping will become or how much it will gross in the long run. But in their minds, two things are certain: a short-term shakeout is inevitable, given the burgeoning roster of competitors, and if the survivors establish a solid sales record, there's virtually no limit to what can be achieved with a cable/re-

Home shopping players at a glance

Home Shopping Network I/II

The company that introduced video retailing and those zirconium stones to a national audience has 400 cable systems running one or both of its 24-hour services. Spinning off from a standalone based in Clearwater, Fla., a year ago last July, HSN chalked up more than \$106.7 million in sales over its first nine months and attracted more than 350,000 regular customers. During that period, the average customer ordered 17 items at \$32 per item, company officers estimate. HSN I displays general off-price merchandise, while HSN II (Innovations In Living) carries leisure items and new products. Affiliates picking up HSN I earn 5 percent compensation off each local sale and additional compensation if both channels are programmed. The firm's stock performance helped ignite the video shopping stampede four months ago when its public offering, initially priced at \$18 a share, finished opening

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gramming vice president. "It could be a fad if, in the course of programmers vying for position, chaos develops. At the moment, operators are less concerned about what the business could be than with how to shape its evolution."

High-energy rapport

In its current state, video shopping lacks the glossy production value of most broadcast and cable offerings, but strikes a folksy, albeit high-energy, rapport with subscribers that encourages purchases. Operating live, HSN, CVN and TelShop showcase name-brand merchandise at discount prices, allowing households to order by calling a toll-free number. Each item is displayed several minutes at a time, but in order to get the product, the order must be placed when it is featured on the service.

Network anchorpeople also chat with selected callers during the presentations, giving their outlets a feel reminiscent of all-talk radio. Subscribers receive their items within a week to 10 days of the order and become eligible for contests and giveaways through club memberships.

Distribution being the name of the game, all three channels encourage operator sign-ups by a compensation formula where systems earn a percentage of the revenue earned each month from sales in their territories. CVN and HSN rebate 5 percent of revenues per-sale, while TelShop compensates affiliates on a 6.5 percent basis. Proposed channels such as QVC, Hanover's Value Line and Consumer Discount Network plan to match or top current compensation strategies once they get running, giving back as much as 10 percent of revenues per-sale each month to affiliates.

Equity ownership may be the decisive element in shaping the home shop-



Steve Ste. Marie

ping business, according to most industry observers. Top-ranked MSO Tele-Communications Inc. applied the principle after forming CVN with C.O.M.B. (Close-Out Merchandise Buyers) last March.

Within a matter of months, TCI sliced its 50 percent share of CVN among American Television and Communications Corp., United Cable, Daniels & Associates, Warner Communications, Rogers Cablesystems and McCaw Communications. Each operator now holds at least 5 percent investment in CVN in exchange for non-exclusive carriage of the network over a majority of their affiliates; TCI retains less than 10 percent equity and C.O.M.B. owns the rest.

Taking TCI's sub base into account, the deals give CVN eventual access to more than 11 million homes. Its current base is 4 million. TelShop, pro-

grammed during FNN's latenight and weekend schedule, already reaches some 11 million homes, while HSN's flagship channel goes to 9 million homes. Innovations In Living, HSN's second network devoted to new products on the market, penetrates more than 2.5 million homes.

CVN's equity shareholders expect to start their rollouts later this month when the network goes 24 hours a day and have it in a majority of their affiliates early next year. All but 700,000 of ATC's 2.7 million households will have CVN by next April, compared with some 500,000 homes right now. HSN I/II will stay put in ATC systems reaching about 750,000 homes, with no additional affiliates for either service anticipated.

Cautious approach

"Cable operators should be very cautious about how they approach this market," argues ATC Senior Vice President Steve Ste. Marie. "The consumer will determine whether it's a business or a fad. Until that issue's settled, an operator should go with one network, and stick with it for awhile. That choice should be made on the basis of product quality and format appeal."

But Ste. Marie acknowledges the lure that equity ownership holds for operators. "It's a seductive plan to some operators, and there's no doubt it helps accelerate distribution, which is a fundamental key to survival."

All but a few proposed home shopping ventures are using CVN's tactic in an effort to ensure access over as broad an affiliate universe as possible. Users of that strategy are pitching up to 10 percent investments before individual MSOs for non-exclusive—and in some cases, exclusive—contracts. Comcast became the first operator to join a service other than CVN in that fashion last month, under an agreement with QVC Network Inc.

A Philadelphia-based enterprise that hopes to begin 24-hour play next January, QVC will be the exclusive shopping network of Comcast's franchisees. For that access, the 17th-ranked MSO will purchase 18,000 shares of QVC's common stock at \$10 a share when its public offering takes effect later this fall. The company is offering 2 million shares of common stock to investors, and some 60,000 common stock shares to operators.

HSN also is resorting to the equity game, authorizing a private placement where MSOs can buy up to 2.5 million shares of its common stock as long as they commit to distribution of network



HSN's Home Shopping Club is available to 9 million cable homes.

National Home Shopping Services

Service	Owners	Headquarters	Launch/ Expected Launch	Transponder	Affiliates	Subscribers
American Shopping Channel	Consolidated Stores International, American Shopping Channels	Columbus, OH	4th Quarter 1986	TBA	—	—
American Wholesale Network	American Wholesale Network	Montgomery, AL	9/86	Satcom IV, transponder TBA	—	—
Cable Shoppers' Network	Jewelcor Inc.	New York, NY	4th Quarter 1986	TBA	—	—
Cable Value Network	C.O.M.B., Tele-Communications Inc., American Television & Communications Corp., Warner Communications, United Cable, Daniels & Associates, Rogers Cablesystems, McCaw Communications	Minneapolis, MN Denver, CO	4/86	Satcom III-R, transponder 18	400	4,000,000
Consumer Discount Network	Entertainment Marketing Inc.	Houston, TX	9/86	Satcom IV, transponder 24	—	—
The Country Store	American Music Entertainment Network	Albuquerque, NM	7/86	Satcom IV, transponder 15	NA	NA
The Crazy Eddie World Of Home Entertainment Shopping Network	Crazy Eddie Inc.	Edison, NJ	11/86	Satcom IV, transponder 14	—	—
FNN TelShop	Financial News Network, Comp-U-Card	New York, NY	8/86	Satcom III-11, transponder 4	630	11,000,000
Hanover's Value Line	Horn & Hardart	New York, NY	4th Quarter 1986	TBA	—	—
Home Shopping Network	Home Shopping Network	Clearwater, FL	7/85	Satcom III-R, transponder 22.	400	9,000,000
Home Shopping Network 2 (Innovations In Living)			3/86	Satcom IV, transponder 1	30	2,500,000
Let's Go Shopping Network	Suarez Corp.	Canton, OH	9/86	Satcom IV, transponder 2	—	—
Pratco TV Shopper's Showcase	Pratco Co.	Cleveland, GA	2/86	Satcom IV, transponder 14	NA	NA
QVC Network	QVC Network Inc., Comcast Corp.	Philadelphia, PA	1/87	Satcom III-R/IV, transponder TBA	—	—
Shop-At-Home Channel	Vector Systems	Knoxville, TN	10/86	Satcom IV, transponder TBA	—	—
Sky Merchant	Jones International Ltd.	Denver, CO	9/86	TBA	—	—
Video Shopping Mall	Video Shopping Mall	Jenkintown, PA	6/86	Galaxy I, transponder 22	NA	NA

TBA—to be announced

NA—not available

programming through 1989. Using Communications Equity Associates as a sales agent, HSN expects to complete the arrangement Sept. 15. Until then, the company is offering no comment on the action.

Despite operator attitudes, CVN Vice Chairman Peter Barton and HSN President Lowell Paxson downplay the importance equity deals hold for the future. Both gentlemen stress that the ability of services to differentiate from one another and offer quality service to the customer, while dealing with the channel capacity shortage still around in many franchises, will be the key to long-term success.

"None of the operators involved with our service expect to get rich on the equity," Barton contends. "This kind of programming—if properly done—will keep people cabled and bring in new cable subscribers. The real financial impact will be felt on the system level, according to the number of households retained and attained through this. The rest is gravy."

"Equity plays a role in deals now, but such activity won't last more than another 30 to 60 days," Paxson responds. "Most of the top 40 MSOs have figured out who they'll go with, and most of those deals will be non-exclusive."

Still deciding

Continental is among the group of top 20 MSOs yet to decide its home shopping alignments. Coming off a private meeting with a number of video retailers July 23 in Boston, Stengel and associates plan to test at least one service, possibly three or four, in a scattered number of franchises this fall. The trial results will determine who gets the majority of Continental's affiliations.

Representatives from Newhouse, Times Mirror, American Cablesystems and Storer attended Continental's meeting. Bob Miron, Newhouse's executive vice president of cable operations, anticipates that his franchise's subdivisions (NewChannels, Vision Cable and Metrovision) will accept an equity role somewhere, but avoid exclusivity deals. Colony Communications' Jim Higgins sees room for only one shopping channel on most of his outlets, and he'll take plenty of time to decide which one gets the call. Right now HSN occupies space on Colony's largest system, the 100-channel Southern California franchise managed in conjunction with Copley Press.

Commentary over how many video shopping channels will find a home through cable runs across party lines.

Operators, citing channel capacity and differentiation as key criteria, feel that only two or three 24-hour national services will survive a shakeout and that HSN I/I and CVN hold the edge over other contenders. Network executives believe that the industry can accommodate four or more players, based on their contention that they can turn a profit off a lower subscriber universe than other basic services.

When that argument comes up, the finger points in HSN's direction. The network racked up more than \$106.7 million in sales during its first nine

months of operation, reaching 6.5 million homes over that time.

"You will see some shakeout, but you'll also see at least three to five strong players pulling through, and more players getting in," Paxson predicts. "There's a lower threshold of success involved; you don't need 20 million homes to break even."

Too few channels

That kind of thinking may be overly-optimistic, warns Mabon Nugent securities analyst Dennis McAlpine, a close follower of home shopping devel-

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opments. "The problem on the horizon is that there's not enough channels out there," he says. "People are either filling them up or hoarding them for something more valuable, like pay-per-view. Remember, we've got only one thing to go on—HSN's success. The operator is in the catbird seat."

And some operators who have the channel space to allocate are not willing to make a major push into home shopping right now. At Simmons Communications' 90-channel Long Beach, Calif., system, Frank McNelis wants to see what else comes down the pike before giving his 45,000 subscribers an alternative to HSN, which has been on there since last December. "If everyone duplicates, nobody makes much money and only the deep-pocketed services move on," the Long Beach manager observes. "I won't carry six channels of that stuff."

On the other hand, there's growing concern that home shopping channels will do so well in their affiliate relation efforts that operators might use the equity/compensation deals they employ as leverage to elicit lower per-sub fees from mainstream basic channels. That flies in the face of plans some basics have to raise their fees in order to develop more cable-exclusive programming.

Don't pass off that circumstance lightly, Ste. Marie and Paxson observe. "It's very possible," says the ATC executive. "The big services wouldn't be put in a compromising position, but less-appealing networks could be."

"If there's anything home retailing will definitely accomplish, it will change the programmer's attitude from one where he takes income from the operator to one where he gives income to the operator," Paxson adds. "The day of the traditional network/systems relationship is coming to a swift end."

Stiffer competition

Whichever way the drama unfolds, the channel space competition will only get stiffer, given the fact that other entities are trying to get a foothold in video merchandising. Weekly Shopping Network, a new offshoot of New York-based Videologue Marketing Corp., premiered a half-hour syndicated show last month over cable systems in Houston, Little Rock, Roanoke and Los Angeles. Offering 20 to 30 items per segment, WSN gives systems the flexibility to play its venture any time of the day over any channel of its choice, as long as the system runs a new edition each week.

America's Shopping Channel, a fixture on Cox Cable's Jefferson Parish and New Orleans systems since late 1984, is establishing full-time standalone video merchant services around the country. Its style of video retailing, peppered by local goods and celebrity visits, will come to Cox Cable San Diego Sept. 23 and the forth-ranked MSO's Tidewater, Va. franchise next March.

Sales results in New Orleans and Tulsa have met company expectations so far. Despite 13 percent unemployment and several department store bankruptcies in New Orleans last year, ASC recorded more than \$5 million in sales there, averaging \$30 per subscriber. The company anticipates \$6 million in orders for New Orleans and a \$4 million Tulsa total during 1986. Tulsa sales have soared from \$127,000 a month at the start to \$350,000 per month last June.

Concurrently, HSN is turning to broadcast station ownership as a way to increase penetration of its Innovations channel, now hovering around 2.5 million subscribers. Within the last month, company officials have signed tentative agreements to buy UHF outlets in Boston, New York and Baltimore/Washington, D.C., while announcing plans to acquire 10 more stations for HSN II simulcast. The New York and Boston stations, owned respectively by Wometco and Channel 66 Associates, feature video music. Family Media Inc.'s Baltimore channel programs general entertainment. Each station will carry HSN II once ownership changes hands, but a local news or community affairs segment will appear each hour. HSN will pay about \$61 million for the station group.

While some observers label HSN's broadcast entry a defensive reaction to CVN penetration advances and the rush of new players, Paxson believes the measure will increase the audience for all video shopping channels and give cable some free publicity through cross-promotions. Operators also have something to gain from running the HSN II broadcast—5 percent compensation off each local sale.

"Our roots are in cable, and we intend to leave them there," Paxson notes. "But the future of home shopping rests upon getting to the home, and as long as the operator is reimbursed, it's immaterial whether the sale comes from a cable-connected home or a non-cable-connected home. If the cards are played right, I can see the day when all kinds of shopping services will transmit over all forms of video." ■

At a glance

Continued from page 26
day trading on the American Stock Exchange above \$40 a share.

Cable Value Network

The joint venture of TCI's operator coalition and C.O.M.B. also has 400 systems in its corner, and expects to increase that total significantly when 24-hour transmission starts Sept. 15. Originating from C.O.M.B.'s warehouse quarters in Minneapolis, the network currently operates eight hours each weekday and full-time on weekends. CVN's "Spree TV" format runs parallel to HSN in its presentation of off-price goods and use of hosts. When 24-hour service premieres, certain product categories will be targeted to various dayparts, including sporting goods, china and housewares, and several game and information half-hours with shopping elements will be introduced. Five percent is CVN's pre-sale compensation rate; Warner Communications will take an oversight role in program development.

FNN TelShop

Financial News Network's joint project with Comp-U-Card opened for business Aug. 4 on more than half of FNN's 1,260 affiliates. TelShop, offering discount hardware, household gifts and travel packages from Comp-U-Card's 250,000-item catalog, runs during FNN latenight and weekend hours. The service also promotes "Gold Card" memberships at \$39 a year per person; card members receive four catalogs a year, advance information on special offers each month and random access to Comp-U-Card's electronic database. Network affiliates are compensated on a 6.5 percent per-sale rate. (FNN will continue its per-sub fee system for an indefinite period.) Comp-U-Card, based in Stamford, Conn., handles all order processing functions, while FNN originates production from its Santa Monica, Calif., studio.

Cableshare

While K Mart, Sears and other retailing giants plot their home shopping moves, J.C. Penney is preparing to roll out Cableshare, a venture many insiders call the most unique of the class. A combination of cable, interactive videodisc and touch-tone phone technologies, Cableshare will be introduced in Chicago later this fall by Penney subsidiary Tele-Action Corp. Barring com-

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next two months.

October

After Hours (10-1)
MPAA Rating: R Running Time: 98 mins.
Cast: Rosanna Arquette, Cheech & Chong, Teri Garr, Griffin Dunne

April Fool's Day (10-1)
MPAA Rating: R Running Time: 90 mins.
Cast: Jay Baker, Deborah Foreman, Griffin O'Neal

Back To The Future (10-30)
MPAA Rating: PG Running Time: 116 mins.
Cast: Michael J. Fox, Christopher Lloyd, Lea Thompson

Band Of The Hand (10-11)
MPAA Rating: R Running Time: 110 mins.
Cast: Stephen Lang, Michael Carmine, Lauren Holly, John Cameron Mitchell

The Cage (Star Trek Pilot) (10-15)
MPAA Rating: NR Running Time: 73 mins.
Cast: Leonard Nimoy, Jeffrey Hunter

Cut and Run (10-21)
MPAA Rating: R Running Time: 87 mins.
Cast: Lisa Blount, Leonard Mann, Willie Aames

8 Million Ways to Die (10-1)
MPAA Rating: R Running Time: N/A
Cast: Jeff Bridges, Rosanna Arquette

F/X (10-1)
MPAA Rating: R Running Time: 108 mins.
Cast: Bryan Brown, Brian Dennehy

9½ Weeks (10-2)
MPAA Rating: R Running Time: 113 mins.
Cast: Mickey Rourke, Kim Basinger

Nomads (10-1)
MPAA Rating: R Running Time: 91 mins.
Cast: Pierce Brosnan, Lesley-Anne Down, Adam Ant

No Retreat, No Surrender (10-21)
MPAA Rating: PG Running Time: 85 mins.
Cast: Kurt McKinney, J.W. Fails, Ron Pohnel, Kathie Sileno

Pretty In Pink (10-1)
MPAA Rating: PG-13 Running Time: 96 mins.
Cast: Molly Ringwald, Andrew McCarthy, John Cryer

Strippers (*)
MPAA Rating: R Running Time: 90 mins.
Cast: Sara Costa, Janette Boyd, Lorce Menton, Lisa Suarez, Danyel

Source

Warner Bros.

Paramount

Universal

Tri-Star

Paramount

New World

Tri-Star

Orion

MGM

Paramount

New World

Paramount

20th Century-Fox

Torment (10-21)
MPAA Rating: R Running Time: 85 mins.
Cast: Taylor Gilbert, William Witt, Eve Brenner

New World

November

Source

Dream Lover (11-6)
MPAA Rating: R Running Time: 104 mins.
Cast: Christie McNichols, Ben Masters, Paul Shenar

MGM/UA

Emmanuelle IV (11-6)
MPAA Rating: R Running Time: 90 mins.
Cast: Sylvia Krystal, Mia Nygren, Deborah Power

Cannon

Jo Jo Dancer, Your Life Is Calling (11-1)
MPAA Rating: R Running Time: 99 mins.
Cast: Richard Pryor, Debbie Allen, Art Evans, Fay Hauser

Columbia

Just Between Friends (11-19)
MPAA Rating: PG-13 Running Time: 110 mins.
Cast: Mary Tyler Moore, Christine Lahti, Sam Waterston, Ted Danson

Orion

The Money Pit (11-1)
MPAA Rating: PG Running Time: 91 mins.
Cast: Tom Hanks, Shelly Long, Alexander Gudonov, Maureen Stapleton

Universal

Violets Are Blue (11-1)
MPAA Rating: PG-13 Running Time: 86 mins.
Cast: Cissy Spacek, Kevin Kline, Bonnie Bedelia

Columbia

Wildcats (11-17)
MPAA Rating: R Running Time: 105 mins.
Cast: Goldie Hawn, Swoosie Kurtz, James Keach, Nipsey Russell

Warner Bros.

Note: Running times are approximate.

Film information provided to International Thomson Communications Inc. by studios.

NR indicates film not rated by MPAA.

* Release date unavailable at presstime.

Pay Per View Services Profile

Service:

Request Television

Viewer's Choice

Telstar Channels

Launch: November 27, 1985
Delivery: Galaxy 1, transponder 12
Encryption: M-A-COM VideoCipher II
Programming: Two to four major motion pictures per week, special events
Subscribers: Available in systems serving 1.8 million subs (1.3 million addressable)

Launch: November 26, 1985
Delivery: VC-1 Satcom 4R, transponder 5
VC-2 Galaxy 1, transponder 16
Encryption: M-A-COM VideoCipher II
Programming: One major motion picture per week, special events
Subscribers: Available in systems serving 1.8 million subs (1.2 million addressable)

Launch: June 5, 1986
Delivery: Interrum standalone, presently testing on Telstar 303
Encryption: Presently testing General Instrument Starloc IV
Programming: Channels 1&2: two major motion pictures on biweekly rotation, Channel 3: three major motion pictures per week, special events
Subscribers: Available in systems serving 74,000 subs (11,500 addressable)

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	225	4,000,000
Alternate View Network	196	2,117,519
Arts & Entertainment (A&E)	2,200	19,700,000
Black Entertainment Television (BET)	590	13,015,183
Cable News Network (CNN)	9,386	33,100,000
Cable Value Network	20	200,000
C-SPAN	2,300	25,000,000
C-SPAN II	294	7,976,000
CBN Cable Network	7,013	30,506,479
CNN	9,561	33,501,000
Country Music Television	425	6,200,000
The Discovery Channel	885	8,093,247
ESPN	13,202	36,900,000
Eternal Word Television Network (EWTN)	276	4,500,000
Financial News Network (FNN)	1,260	21,400,000
Headline News	3,157	18,039,000
Hit Video USA	41	1,700,000
Home Shopping Network	324	8,000,000
Innovations In Living (HSN2)	15	2,000,000
International Television Network	5	622,000
The Learning Channel	760	6,600,000
Liberty Broadcasting Network	90	1,292,000
Lifetime	2,894	25,100,000
Music Television (MTV)	3,556	29,000,000
The Nashville Network	3,770	24,900,000
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	4,396	26,700,000
PTL The Inspirational Network	1,300	13,000,000
Pratco	NA	NA
Rock Christian Network	7	838,000
Silent Network	206	6,800,000
SIN Television Network	383	33,673,300
Tempo Television	640	12,000,000
Trinity Broadcasting Network	433	6,210,000
USA Network	6,500	31,000,000
Video Hits One	874	13,000,000
The Weather Channel	2,100	20,500,000
WGN-TV	7,940	20,543,000
WOR-TV	1,877	8,430,680
WPIX-TV	205	2,927,000
WTBS-TV	10,790	36,078,000

Pay services

American Extasy	6	60,000
American Movie Classics	200	420,000
Bravo	240	360,000
Cinemax	3,300	3,700,000
The Disney Channel	2,958	2,550,000
GalaVision	234	183,000
Home Box Office (HBO)	6,900	14,600,000
Home Theater Network (HTN)	350	300,000
Showtime	3,200	5,400,000
The Movie Channel	3,250	3,250,000
The Nostalgia Channel	125	350,000
The Playboy Channel	580	732,000
Private Ticket	4	NA

Audio services

Cable Radio Network	21	1,300,000
KKGO Super Jazz	15	828,000
Lifestyle	147	2,600,368
Lifestyle AC	15	679,936
Moody Bible Institute	66	890,968
Satellite Radio Network	251	740,000
Studioline	NA	NA
Tempo Sound	89	1,262,393
WFMT Chicago	161	1,284,000

Text services

AP News Cable	275	3,600,000
AP News Plus	60	1,500,000
Cable Sportstracker	15	543,000
DBC/MarketWatch	50	NA
Electronic Program Guide (EPG)	273	5,513,000
EPG Jr.	56	53,247
Genesis Cable Storytime	26	1,033,000
Reuters News View	325	3,250,000
TV Decisions	120	3,420,000
UPI Data Cable	450	4,000,000
X*Press	60	1,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fuji Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	37	1,185,000
The Ecumenical Channel	7	148,000
KTVT	109	1,804,000
Life Newsvision	24	36,000
Madison Square Garden	67	1,900,000
Meadows Racing Network	14	446,000
MetroChannel	1	118,000
Prime Ticket	46	1,300,000
SportsVision (Chicago)	37	490,000
Texas Cable Network	15	646,000

Pay services

Dodgervision	44	935,000
Home Sports Entertainment—Houston/Dallas	105	190,000
Home Team Sports	74	327,000
New England Sports Network	130	121,858
PRISM-Philadelphia	91	370,000
Pro-Am Sports	107	106,000
SportsChannel (New England)	110	235,000
SportsChannel (New York)	60	568,000
Z Channel	21	95,000

Announced services

Satellite-fed services

Expected Launch	
ABC Pay-Per-View service	4th Quarter 1986
America's Shopping Channel	4th Quarter 1986
American Family Network	9/86
American Wholesale Network	9/86
Apollo Entertainment Television	TBA
The Book Channel	TBA
The BuenaVision Channel	TBA
Cable Shopper's Network (Jewelcor)	4th Quarter 1986
Cabletix	1st Quarter 1987
Comedy Television	4th Quarter 1986
Consolidated Stores/ASC service	4th Quarter 1986
Consumer Discount Network	9/86
Crazy Eddie World Of Home	11/86
Entertainment Shopping Network	
Discovery Computer Network	1987
Discovery Financial Network	4th Quarter 1986
El Canal Musical	TBA
Ethnic Radio Networks	4th Quarter 1986
EventTelevision	10/86
Hanover's Value Line	9/86
International Business Network	4th Quarter 1986
Let's Go Shopping Network	9/86
Magicable	TBA
Movie Time	1st Quarter 1987
QVC Network	1/87
Shop-At-Home Channel	10/86
Sky Merchant	9/86
Sofcast/National Digital Network	4th Quarter 1986
The Success Channel	1/87
The Travel Network	4th Quarter 1986
Tunnelvision	4/87
Video Shopping Mall	4th Quarter 1986

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217.

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SEPTEMBER 1, 1986

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

STORER STRATEGY PAYING OFF FOR KKR

BROADCAST AFFILIATE SAT NET MAY CAUSE STIR

FALL CONSTRUCTION SPECIAL: REBUILDS AND UPGRADES

ON-SCREEN PROGRAM PREVIEWING STARTING TO CATCH ON

FINANCIAL ROUNDTABLE, PART II

**MTV AT FIVE: STILL NO PLANS
TO DOMESTICATE ROCK & ROLL**

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CableVision

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KKR's Storer plays 12
Storer's offer for Wometco's properties is the latest maneuver in a series aimed at raising the MSO's value under the stewardship of Kohlberg, Kravis Roberts & Co.

Broadcast affiliate sat network 12
A plan to package three broadcast affiliates on a satellite network for home dish owners answers some issues in the scrambling debate but raises new questions.

Must carry reaction 18
The National Cable Television Association may ask the Federal Communications Commission to revise ruling on A/B switches in its must-carry action. Leadership also eyes possible new compromise with broadcasters.

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NEW BUSINESS DEVELOPMENT

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MANAGEMENT

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At a pace faster than many imagined, market forces are creating upward pressure on channel capacities that were once thought to be optimum. This and other factors bode well for the rebuild/upgrade construction market.

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FROM NEW YORK

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The biggest impact of the new tax bill could be on the system sales market, thanks to the short-term tax squeeze expected in '87.



COVER STORY

Maturing 5-year-old 26
As it passes its fifth-year milestone, MTV is undergoing changes in management and programming but with a strong emphasis on continuing the low-budget formula that has made it a winner in basic cable.

Film product comparison—October

Film	Pay Networks	Distributor	Film	Pay Networks	Distributor
Adventures of A Plumber's Mate	ST*	Miramax	Frances	HBO	Thorn-EMI
Adventures of a Taxi Driver	ST	Miramax	Fraternity Vacation	HBO	New World
Adventures of Buckaroo Bonzai, The	(HBO) ST (TMC) (HTN) (MAX)	20th Century-Fox	French Woman, The	(ST) (TMC)	MAX
Adventures of Huckleberry Finn, The	TMC* (HTN)	Transcon	Garbo Talks	ST* (TMC)	MAX*
Advice to the Lovelorn	HBO	Universal	Gauntlet, The		
Agnes of God	HBO	Columbia	George Washington		
All the Rivers Run (Pts. 1-4)	HBO*	Crawford	Slept Here	TMC	MGM/UA
Altered States		Warner Bros.	Ghostbusters	(HBO) (ST) TMC	MAX
American Flyers	(HBO) ST* (TMC) HTN*	Warner Bros.	Gimme an 'F'	(HBO) (ST) TMC	20th Century-Fox
American Werewolf In London, An		King Features	Girl With the Green Eyes	ST	MGM/UA
Android	HBO	Castle Hill	Girl Friends		HTN*
Avalanche		MAX	Give My Regards To Broad Street	(HBO) TMC*	20th Century-Fox
Aviator, The	HBO	MGM/UA	Global Affair, A	TMC*	MGM/UA
Bachelor Party	HBO* (ST) (TMC)	20th Century-Fox	Gloria		MAX
Back To Bataan		RKO Pictures	Gold Is Where You Find It	ST	MGM/UA
Becket	TMC	Fox/Lorber	Great Catherine		
Beer		MAX	Great Dictator, The	TMC (TMC) HTN* (MAX)	MAX
Bedford Incident, The		MAX	Great Muppet Caper, The		20th Century-Fox
Better Off Dead		MAX	Grey Fox, The	(HBO) ST	ITC
Big Bounce, The		Warner Bros.	Happy Ending, The		The Movie Store
Blazing Saddles	ST* (TMC) HTN	Warner Bros.	H.E.A.L.T.H.	TMC	MGM/UA
Blind Date		Wescom	Heavenly Bodies	(HBO) (MAX)	MAX
Blind Rage	HBO	Circle	Heavenly Kid, The	HBO	Orion
Blood Simple	(HBO) TMC*	Columbia	Heidi	(ST) TMC	20th Century-Fox
Body Double	HBO*	Universal	Hero At Large	TMC*	MGM/UA
Brewster's Millions	(HBO) (ST) (TMC) HTN*	MAX	Hey Babe!		Caroleo
Bye Bye Birdie	HBO	Columbia	Holcroft Covenant, The	HBO	Thorn-EMI
Caged Heat	ST	Viacom	Hollywood Ghost Stories		Castle Hill
Candidate, The	ST (TMC) HTN*	Warner Bros.	Hot Moves	ST* (TMC) HTN	Warner Bros.
Cannery Row	(TMC)	MGM/UA	How Sweet It Is	(TMC) TMC*	MGM/UA
Cannonball Run II	(HBO) ST (TMC) HTN*	Warner Bros.	Idolmaker, The	HBO (ST) TMC*	MAX*
Careful, He Might		20th Century-Fox	Initiation, The		
Hear You	(HBO) (ST) (TMC) HTN*	Crown	Into The Night	ST*	MAX
Cave Girl		Lorimar	Invasion USA	ST*	Cannon
Choose Me		MAX	Iron Mistress, The	ST	Warner Bros.
C.H.U.D.	ST*	MAX	Irreconcilable Differences	(ST) HTN*	MAX
Cimarron	(ST) (TMC) HTN*	MGM/UA	Jagged Edge		Columbia
City Heat	HBO	Warner Bros.	Jigsaw Man, The	(TMC) TMC	MAX
The Clairvoyant		20th Century-Fox	Johnny Dangerously	TMC	MAX
Cloak & Dagger	(HBO) ST (TMC) HTN*	Universal	Joshua Then And Now	(TMC) HTN*	MAX
Company of	ST	Cannon	Just the Way You Are	(ST) (TMC) HTN*	MAX
Wolves, The	ST	Paramount	Kind Hearts and Coronets		New Century
Compromising Positions	HBO*	Warner Bros.	King of the Mountain	TMC	King Features
Corn Is High, The		Columbia	Kiss Me, Stupid	TMC	MGM/UA
Coup de Tete		MAX	Laurel & Hardy's		
Cover Girl (1944)		MAX	Laughing 20's	TMC	MGM/UA
Creator		MAX	Learning Tree, The	ST HTN*	Warner Bros.
Creepshow	(HBO) TMC	Goldwyn	Les Miserables		Les Haber Productions
Cry Rape		MAX	Lies My Father Told Me	HBO	Columbia
Dallas		MAX	Lifeforce	HBO	Tri-Star
Death Wish III	ST	Warner Bros.	Life of the Party:		
Def-Con 4	HBO	Cannon	The Story of Beatrice		MAX
Devil and Daniel		New World	Little Drummer Girl, The	HBO (TMC)	Warner Bros.
Webster, The	ST (TMC)	20th Century-Fox	Little Treasure		Tri-Star
Diamond Horseshoe		MAX	Losin' It	HBO (TMC)	Embassy
Doctor and the			Love and Larceny		MAX
Devils, The	HBO	20th Century-Fox	Love Letters	HBO	Broadcasting
Door to Door	HBO*	Castle Hill	Love Me or Leave Me		New Horizon
Dreamscape	(HBO) TMC (HTN) (MAX)	20th Century-Fox	Madame Rosa	TMC	MGM/UA
Dune	HBO (ST) TMC	Universal	Man In The	TMC	Film Gallery
Eating Raoul		20th Century-Fox	White Suit, The	TMC*	
Eddie and the Cruisers		Warner Bros.	Manny's Orphans	TMC	New Century
El Condor		Warner Bros.	Man With One Red		Castle Hill
Eleni	HBO	Warner Bros.	Shoe, The	(HBO) (ST)	MAX
El Norte		Cinecom	Mata Hari	HBO	MAX
Elvis On Tour		MGM/UA	Maxi		Orion
Emerald Forest, The	ST* (TMC)	Embassy	MIkey & Nicky		Paramount
Empire Strikes			Missing In Action II	(HBO) TMC*	Cannon
Back, The	(HBO) (TMC) HTN*	20th Century-Fox	Morons From Outer Space		Thorn-EMI
Enemy of The People, An		Warner Bros.	Moving Violations	TMC	20th Century-Fox
Fanny Hill		MAX	Mr. T.'s Be Somebody		Universal
Farmer's Daughter, The		ABC Video	Murder In Space	TMC*	Robert Cooper
The Final Countdown, The	HTN	Film Finance	My Science Project	(HBO) (ST) TMC	Walt Disney
Find My Son, To		Columbia	Nancy Goes To Rio	(ST) TMC	MGM/UA
Fire In The Stone	(ST) TMC (HTN)	Tolchin Films	Neptune's Daughter	TMC	MGM/UA
Fletch		Universal	Nightmare On		
Florida Straits	HBO	Independent	Elm Street, A	(HBO) (ST) (TMC) (HTN)	MAX
Forbidden	HBO	Productions	Night of the Comet	ST (TMC)	MAX
Forever Darling	(HBO) TMC	Jozak/Dec	Night School	ST (TMC)	Lorimar
Fort Apache		MGM/UA	Night To Remember, A		New Century
Four Seasons, The	(HBO) TMC (HTN)	RKO Pictures	Not For Publication	HBO	Thorn-EMI
		Universal	Notorious		ABC Video
			Oh, God! You Devil	HBO*	Warner Bros.
			Old Enough		Film Gallery
			Once Upon A Time	(TMC)	



Nick Nolte, Judd Hirsch and Jo Beth Williams star in 'Teachers.'

Film	Pay Networks				Distributor
In America	(HBO)	ST	(TMC)	(MAX)	Warner Bros.
Opposite Sex, The		(ST)	TMC	MAX	MGM/UA
Othello				HTN*	Warner Bros.
Oxford Blues	HBO	(ST)	TMC	(HTN)	MGM/UA
Pale Rider	(HBO)	(ST)	(TMC)		Warner Bros.
Paris Texas			TMC		20th Century-Fox
Perfect Timing		(ST)		MAX	Film Gallery
Perils of Gwendoline, The		(ST)	TMC	(MAX)	Goldwyn
Phar Lap			TMC*	(HTN)	20th Century-Fox
Philadelphia Experiment, The				(HTN)	MAX*
Places In The Heart	HBO				New World
Platinum Blonde					Tri-Star
Porky's Revenge					Columbia
Pretty Maids All	HBO	(ST)			20th Century-Fox
In A Row			TMC*		MGM/UA
Prizzi's Honor	(HBO)	(ST)	(TMC)	MAX	Universal
Protector	HBO		(TMC)		Warner Bros.
Protocol	(HBO)	(ST)		HTN*	(MAX) Warner Bros.
Pursuit of D.B.					
Cooper, The			TMC*		King Features
Raisin In The Sun, A				MAX	Columbia
Raw Courage	(HBO)		TMC*		New World
Razor's Edge, The	HBO*				Columbia
Reckless			(TMC)	MAX	MGM/UA
Red Dawn	HBO	ST	TMC	(HTN)	MGM/UA
Reno Williams:					
The Adventure Begins	HBO			MAX	Orion
Reno & The Doc	HBO*				ACM Television
Return of the					
Living Dead	HBO				Hemdale
Return of the Tall Blonde					
Man With One Black Shoe			TMC*		MGM/UA
Revenge of the Nerds	(HBO)	(ST)	TMC	MAX*	20th Century-Fox
Rhinestone	HBO*	(ST)	(TMC)	(HTN)	20th Century-Fox
Richard Pryor Live On					
the Sunset Step	HBO*				Columbia
Richard III			TMC		New Century
Rock & Roll: The					
Early Days				HTN	MAX
Rock & Rule	(HBO)		TMC*		Fox Lorber
Royal Wedding	HBO		(TMC)		MGM/UA
Ruling Class, The			TMC		Embassy
Rustler's Rhapsody		ST*	(TMC)		Paramount
Sea Gull, The				HTN*	Warner Bros.
Seance on A					
Wet Afternoon			TMC		New Century
Second Hand Hearts		ST			Lorimar
Secret Places			TMC		20th Century-Fox
Sharma and Beyond			TMC*		Film Gallery
She			(TMC)		American National
Shocking Miss Pilgrim, The				MAX	20th Century-Fox
Silver Bullet		ST	TMC		Paramount
To Sir With Love					Columbia
Skyhigh	(HBO)				MAX
					Forminx Co.

Film	Pay Networks				Distributor
Sleepaway Camp	HBO				Sleep
Smithereens			TMC		Film Gallery
Somebody Killed					
Her Husband				MAX	Columbia
Songwriter	HBO			(MAX)	Tri-Star
Sphinx	HBO				Warner Bros.
Spiral Staircase, The			HTN	MAX	Warner Bros.
Split Image	HBO				Polygram
Start the Revolution					
Without Me			TMC		Warner Bros.
Starman	(HBO)			MAX	Columbia
Statue of Liberty, The				MAX	American
					Documentary
Stephen King's					
Cat's Eye	(HBO)			(HTN)	MAX
Stick		ST	(TMC)	(MAX)	MGM/UA
Streets of Fire	(HBO)	ST	(TMC)	(HTN)	Universal
Strip, The			ST		MGM/UA
Stripes	HBO				Columbia
Stud, The		ST			Telepictures
Sunday, Bloody Sunday			TMC*		MGM/UA
Sunset Strip	HBO				Goldwyn
Supergirl	HBO			(MAX)	Tri-Star
SPFX: The Making					
of Empire					
2010	(HBO)	(ST)		HTN*	20th Century-Fox
Teachers	(HBO)		ST	(TMC)	MAX
Teen Wolf	HBO			HTN*	(MAX) MGM/UA
					Atlantic
Ten From Your					
Show of Shows	(HBO)	(ST)	TMC		Les Haber
Tennessee Champ			ST		MGM/UA
Terminator, The	HBO*				Hemdale
Terror In The Aisles				TMC	Universal
Test of Love, A				HTN	MAX
Texas Carnival		ST			MGM/UA
That's Dancing				HTN*	(MAX) MGM/UA
They're Playing With Fire			TMC*		New World
They Won't Forget			TMC		MGM/UA
Those Glory, Glory Days			TMC		Film Gallery
Thunder Alley	HBO			TMC	Cannon
Tigers In Lipstick		(ST)			Castle Hill
Time Bomb				MAX	Universal
Tommy				MAX	Columbia
Too Scared To Scream				TMC	MAX*
Trancers	(HBO)				MAX
Transylvania 6-5000	HBO				New World
Tunes of Glory			TMC		New Century
Turk 182!	(HBO)	(ST)	TMC*	(MAX)	20th Century-Fox
Two Lovers			ST		MGM/UA
Until September	HBO	(ST)	TMC		MGM/UA
Ups and Downs			ST	(TMC)	David Armstrong
Utilities			TMC*	(HTN)	The Movie Store
Vamping		(ST)	TMC*		Atlantic
Victory		ST	TMC		Lorimar
View To A Kill, A	(HBO)			(HTN)	MAX*
V.I.P.'s, The			TMC*		MGM/UA
Vision Quest	(HBO)	(ST)	(TMC)		Warner Bros.
Volunteers	HBO*				(MAX) Silver Screen
Wall, The					MAX
Whispers, The		ST			TLC
Whistle Down The Wind		ST			MGM/UA
Wild Geese II					New Century
Wildlife, The				MAX	Thorn-EMI
Woman of Paris, A	(HBO)		TMC	HTN*	(MAX) Universal
Women In Love			(TMC)		20th Century-Fox
Year of the Dragon		ST			MAX
					MGM/UA

Cable Network Legend:
HBO-Home Box Office
ST-Showtime
TMC-The Movie Channel
HTN-Home Theater Network
MAX-Cinemax

■ Networks in parentheses indicate carriage in May, June, July, August and/or September.

■ An asterisk indicates the film is a carry-over from May, June, July, August and/or September.

■ In total, 261 films appear on the September schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, 4 have played on all five services, 19 have played on four of the five services, 29 have played on three services and 71 have played on two of the five services. One hundred and thirty-eight titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV in October is MGM/UA with 44, followed by Warner Bros. with 35, 20th Century-Fox with 30, Columbia with 21 and Universal with 16.

■ Titles subject to change.

weren't right for the channel's demographic.

The recent wave of fundamentalist backlash against the salacious aspects of rock has largely focused on heavy metal bands, and MTV's Freston acknowledges that some metal videos, such as a gory teen-horror movie spoof from Twisted Sister, have been banned from the service. Another popular video, *Baby Love* from Madonna clone Regina, was sent back to Atlantic Records for editing after MTV executives spotted what looked like a soft-core sex scene.

A source at Atlantic says that, as a joke, the company sent back a re-edited version with a scene from a hard-core porno movie added. Atlantic also had a little fun when MTV objected to the Yiddish expletive "schmuck" in a Mike and the Mechanics video—they sent back an edited version with a much more graphic term in its place.

Both videos eventually got on, and Freston asserts that the channel has not been pressured to change its programming style because it has always been careful about what it presents.

Anti-rock pressure

In any case, anti-rock pressure from such zealots as the Reverend Jimmy Swaggart doesn't seem to have had much impact on MTV, and most cable operators say they felt little or no pressure on them to drop the service.

Some operators, like New York Times Cable President Dave McDonald, say that the service has a huge reservoir of viewers who tune in whenever the channel's doing something

special, which is one of the reasons the network is scheduling so many unique events. MTV's Live Aid telecast on July 13 of last year earned the channel a whopping 53.9 share of all NYT Cable households, a big boost from the one share the channel often collects on the system.

In common with many other operators, McDonald is unhappy with the discounts larger operators get with MTV, estimating that Tele-Communications Inc., the largest MSO, may be paying 20 percent less than the New York Times system. MTV is considered such a foundation service, however, that McDonald has not threatened any retaliatory action, a situation not repeated when CBN announced it is initiating a per-sub fee—NYT is dropping CBN when its current contract runs out Nov. 1.

The National Cable Television Cooperative has also scored the discounting situation. The group's executive director, Michael Pandzik, is urging the 43 NCTC member systems to consider adding MTV competitor Hit Video USA to give themselves more leverage. Pandzik says none of his members, to his knowledge, have dropped MTV, however, and he says it is unlikely that many will. "MTV has really good brand-name awareness, and they worked real hard to get it," he says. "The price they've charged is fine—if everyone paid that, we wouldn't need a co-op."

Five years after MTV launched, it's clear that music video has staying power. Canada's MuchMusic Network, for example, currently a pay-cable service (although the two-year old channel may be going basic in the near future)

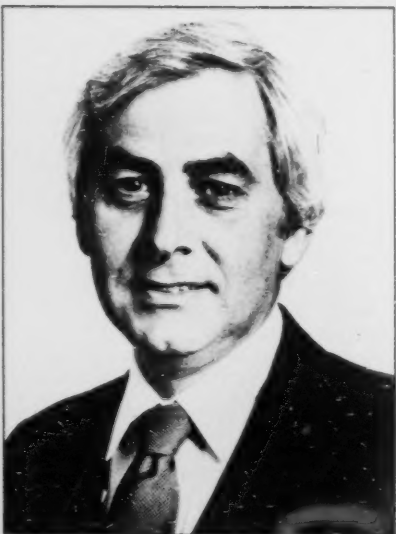
is thriving, with an 800,000 subscriber count that surpasses most industry projections. Bill Bobek, MuchMusic's national publicity manager, surmises that MTV may have taken some unfair heat from the press on ratings because few have taken into account that the creation of VH-1 may have "split the market."

Whatever the reason, it's hard to conclude that MTV, the biggest profit center in basic-cable services, won't be celebrating another milestone anniversary five years from now. ■

Home Shopping clarifications

In *CableVision's* recent home shopping rundown (9/1/86, p. 26), Communications Equity Associates was identified as an operator sales agent for Home Shopping Network's authorized private placement. HSN announced that arrangement in a press release issued three months ago. Executives at Communications Equity now note that the relationship has been terminated. The Florida-based investment house will continue to advise HSN on corporate strategy matters and its continuing search for HSN 2 broadcast affiliates.

Also, inadvertently omitted from the services profiled in the Sept. 1 issue was the *Weekly Shopping Network*. This half-hour exercise, one of the first syndicated attempts in the video retail marketplace, debuted last month on Warner Cable, Houston, Falcon's Los Angeles system and LO outlets in Roanoke, Va., and Little Rock, Ark. The program comes from Videologue Marketing Corp., which has distributed mail order catalogue cassettes since 1984. A typical episode showcases 20 to 30 products, from luggage to calculators, featuring such brand names as Calvin Klein, Presto and Elizabeth Arden. Customers order using a toll-free number, and affiliates collect a 3 percent to 5 percent commission off each sale in their areas. The program mixes trivia contests with its sales approach and conducts a "frequent buyer" promotion where customers accumulate points (based on their WSN use) for high-priced merchandise or prizes. One new show is distributed each week, with systems holding an option to run the segment where and whenever they choose. All of WSN's cable affiliates schedule the series during early fringe or prime time. Independent stations in Boston and Indianapolis also have bought the program.



'What brings an advertiser to sit down and talk with us is that we're the only game in town with this demographic.'

—Robert Roganti

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableProFile Data Base, INTERNATIONAL COMMUNICATIONS RESEARCH.

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
CBN Cable Network	8
Cable Radio Network	4
Cable Value Network	18
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	4
Genesis Storytime	8
HBO (West)	13
HSN2	2, 16
HTN	16
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Reuter Monitor Service	18
Showtime (West)	10
Studiosine	19
Tempo Television	6
TV Decisions	24
Trinity Broadcasting Network	3
Video Hits One	15
Viewer's Choice	5
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
Biznet	6
Bravo	2
Hit Video USA	18
Home Sports Entertainment	11
Home Team Sports	22
Innovations In Living (HSN2)	1
Liberty Broadcasting Network	7
Madison Square Garden	6
New England Sports Network	13
Nickelodeon (West)	4
Nostalgia Channel	21
The Playboy Channel	24
Pratco TV Shopper's Showcase	14
Prime Ticket	20
Rock Christian Network	3
The Silent Network	23V
SportsVision	9
WPIX—New York	19

Westar III (Western Union)

Transponder

CNN	5
Atlantic City Horse Racing	6
Cable News Network (CNN)	16
Catholic Telecommunications Network of America	11
International Television Network	10D
Public Broadcasting Service	15, 17, 21, 23
Texas State Network	2
Word of Faith Satellite Network	6

Westar V (Western Union)

Transponder

Fantasy Unrestricted Network (FUN)	24
FUN Weekend Pay-per-view	24
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

Transponder

American Extasy	19
Country Music Television (CMTV)	18
KTVT (Dallas)	22
SelectTV	13

Galaxy I (Hughes)

Transponder

Alternate View Network	22
CBN Cable Network	11
Cinemax (East)	19
CNN	7
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Studiosine	13

Note: A company name in parentheses following a service or network designates the transponder owner.
Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	3,778,621	(11/85)
2.	American Television and Communications Corp.	2,700,000	(12/85)
3.	Group W Cable	2,162,000	(10/85)
4.	Storer Cable Communications	1,568,000	(6/86)
5.	Cox Cable Communications	1,331,152	(6/86)
6.	Warner Cable Communications Inc.	1,258,945	(6/86)
7.	Continental Cablevision	1,198,000	(7/86)
8.	United Cable	1,027,602	(7/86)
9.	Newhouse Broadcasting	972,377	(4/86)
10.	Viacom Cablevision	930,000	(9/86)
11.	Times Mirror Cable Television Inc.	822,669	(6/86)
12.	Jones Interchange	767,676	(7/86)
13.	UA Cablesystems Corp.	735,431	(2/86)
14.	Heritage Communications Inc.	724,426	(6/86)
15.	Sammons Communications Inc.	708,609	(12/85)
16.	Cablevision Co.	602,612	(5/86)
17.	Comcast	568,711	(3/86)
18.	Rogers Cablesystems Inc.	534,241	(6/86)
19.	Teleable Corp.	467,941	(3/86)
20.	Prime Cable Corp.	413,000	(7/86)
21.	McCaw Communications	379,800	(4/86)
22.	Post-Newsweek	361,754	(7/86)
23.	Wometco Cable TV Inc.	354,283	(7/86)
24.	Centel Cable	354,051	(6/86)
25.	Scripps-Howard	335,647	(7/86)
26.	Cable Vision Industries	330,883	(4/86)
27.	American Cablesystems Corp.	323,187	(4/86)
28.	Century Communications Corp.	318,060	(12/85)
29.	Falcon Cable	302,000	(2/86)
30.	Daniels & Associates	299,227	(4/86)
31.	Multimedia Cablevision	278,113	(5/86)
32.	TCA Group	255,869	(5/86)
33.	Colony Communications Inc.	242,956	(6/86)
34.	Maclean Hunter Cable TV Ltd.	241,297	(6/86)
35.	Tele-Media	215,000	(7/86)
36.	Adelphi Communications	212,660	(6/86)
37.	Rollins Cableview Inc.	210,500	(6/86)
38.	Service Electric Cable TV Inc.	195,000	(7/86)
39.	TCI-Taft	181,745	(6/86)
40.	Communications Service Inc.	179,000	(2/86)
41.	Western Communications	175,502	(7/86)
42.	TKR Cable Co.	172,026	(3/86)
43.	Cabletelevision	170,684	(7/86)
44.	Sutton Capital Corp.	166,561	(2/86)
45.	Rifkin & Associates	160,000	(8/86)
46.	Adams-Russell Communications	151,449	(5/86)
47.	Cescom Cable	151,279	(6/86)
48.	Harte-Hanks Communications	144,514	(2/86)
49.	Harron Communications	127,827	(7/86)
50.	Buckeye Cablevision	126,047	(4/86)
51.	Lenfest Group	125,731	(2/86)
52.	Greater Media Cable	124,662	(3/86)
53.	Television Inc.	123,584	(7/86)
54.	Harris Cable Corp.	122,955	(4/86)
55.	Armstrong Utilities	121,509	(7/86)
56.	Palmer Communications	118,013	(7/86)
57.	First Carolina Communications Inc.	117,469	(7/86)
58.	Sonic Communications	109,916	(3/86)
59.	Summit Communications	109,775	(5/86)
60.	Media General Inc.	107,440	(2/86)
61.	The Essex Group	105,166	(5/86)
62.	Scott Cable Communications	105,000	(3/86)
63.	Multi-Channel TV Cable Inc.	101,874	(4/86)
64.	U.S. Cable Corp.	98,900	(3/86)
65.	Booth Communications	97,671	(7/86)
66.	Simmons Communications	96,991	(7/86)
67.	King Videocable	91,373	(4/86)
68.	Perry Cable TV Corp.	91,306	(8/86)
69.	McDonald Group	90,079	(8/86)
70.	WEHCO Video	84,840	(7/86)
71.	Marcus Communications	83,888	(4/86)
72.	Columbia Associates	80,000	(7/86)
73.	Midcontinent Cable Systems Co.	75,448	(5/86)
74.	Pencor Services	74,868	(8/86)
75.	Northland Communications	74,400	(8/86)
76.	Omega Communications	74,213	(6/86)
77.	Susquehanna Broadcasting	72,235	(1/86)
78.	Selkirk Communications	62,000	(2/86)
79.	National Telecommunications Corp.	61,625	(1/86)
80.	The Daily Press	60,100	(6/86)
81.	Acton Corp.	56,337	(8/86)
82.	Helicon Corp.	55,000	(2/86)
83.	Mountain Cable Co.	55,000	(4/86)
84.	Masada Corp.	53,237	(7/86)
85.	Cardinal Communications	53,200	(6/86)
86.	United Video Management	52,816	(6/86)
87.	Communicon	52,801	(7/86)
88.	Wisconsin Cablevision and Radio Co.	50,083	(7/86)
89.	Chambers Cable Comm. Inc.	48,643	(4/86)
90.	State Cable TV	45,922	(3/86)
91.	Joseph Gans Cable TV	45,679	(6/86)
92.	Bresnan Communications Co.	44,226	(8/86)
93.	New England Cablevision	42,978	(5/86)
94.	Cable Holdings Inc.	42,344	(2/86)
95.	Donrey Cablevision	42,275	(8/86)
96.	Dowden Communications	42,100	(4/86)
97.	Marsh Media	38,097	(7/86)
98.	North American Comm. Corp.	37,710	(6/86)
99.	Eastar Communications	35,630	(4/86)
100.	Gateway Cablevision Corp.	34,694	(2/86)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217.

Top 100 systems

Rank	Location	Operator	Basic subs	
1.	San Diego, CA	Cox Cable	270,867	(6/86)
2.	Woodbury (Long Island), NY	Cablevision Co.	242,497	(6/86)
3.	Manhattan, NY	ATC	219,600	(12/85)
4.	San Antonio, TX	Rogers	199,359	(6/86)
5.	Houston, TX	Warner	193,522	(6/86)
6.	East Orange, NJ	Maclean Hunter	184,198	(6/86)
7.	Honolulu, HI	ATC	164,300	(12/85)
8.	Seattle/Snohomish, WA	Viacom	163,000	(9/86)
9.	Hartford/New Britain, CT	United Cable	153,570	(7/86)
10.	Cincinnati, OH	Warner	151,273	(6/86)
11.	Louisville/Jeff. Co., KY	Storer Communications	148,000	(6/86)
12.	Wayne, NJ	UA Cablesystems	144,328	(12/85)
13.	Phoenix, AZ	Times Mirror	144,328	(6/86)
14.	Tulsa, OK	United Cable	140,333	(6/86)
15.	Englewood, CO	United Cable	137,375	(5/86)
16.	Cherry Hills, NJ	NYT	133,316	(5/86)
17.	Tidewater (Norfolk), VA	Cox	131,837	(6/86)
18.	Florida Division (Orlando/Ormond Beach)	ATC	128,100	(12/85)
19.	Seattle, WA	Group W	127,000	(5/86)
20.	Atlanta, GA	Prime Cable Corp.	125,319	(5/86)
21.	Jacksonville, FL	Continental	124,000	(6/86)
22.	Rochester, NY	ATC	123,500	(12/85)
23.	Baltimore County, MD	Comcast	120,725	(5/86)
24.	Erie County, NY	Prime Cable Corp.	119,002	(11/85)
25.	Manhattan, NY	Group W	115,000	(9/86)
26.	Kansas City, MO	ATC	114,600	(12/85)
27.	St. Louis, MO	Encom Cable	111,063	(1/86)
28.	San Jose, CA	Gill Industries	110,000	(5/86)
29.	Warren, NJ	TKR	110,000	(5/86)
30.	Austin, TX	ATC	109,700	(12/85)
31.	Central Islip (Long Island), NY	Viacom	109,000	(9/86)
32.	Memphis, TN	ATC	106,900	(12/85)
33.	San Juan, PR	Harris Cable Corp.	104,728	(4/86)
34.	Toledo, OH	Buckeye Cablevision	103,982	(4/86)
35.	Los Angeles, CA	Falcon	103,869	(4/86)
36.	San Francisco, CA	Viacom	100,000	(9/86)
37.	Jefferson Parish/Kenner, LA	Cox Cable	97,733	(6/86)
38.	Fairfax, VA	Media General	97,420	(2/86)
39.	Southeast Michigan	Comcast	96,100	(5/86)
40.	Wilmington, DE	Rollins Cableview	93,000	(6/86)
41.	San Diego, CA	ATC	92,200	(12/85)
42.	Grand Rapids, MI	UA Cablesystems	89,868	(8/86)
43.	Pompano, FL	American Cablesystems	88,440	(4/86)
44.	Dallas, TX	Heritage	85,922	(6/86)
45.	Richmond/Henrico, VA	Continental	85,000	(6/86)
46.	Pittsburgh, PA	Tele-Communications Inc.	84,517	(6/86)
47.	Dade/Broward, FL	Storer	83,000	(6/86)
48.	Indianapolis, IN	Indianapolis Cablevision Inc.	80,969	(9/86)
49.	Jackson, MS	ATC	80,700	(12/84)
50.	Wichita, KS	Multimedia Cablevision	80,158	(7/85)
51.	New Orleans, LA	Cox Cable	79,914	(11/85)
52.	Charlotte, NC	ATC	78,700	(12/85)
53.	Clearwater, FL	Vision Cable	78,600	(7/85)
54.	Puget Sound, WA	Viacom	78,000	(9/86)
55.	Flint, MI	Comcast Cable	77,208	(3/86)
56.	South Texas, TX	Heritage	76,931	(4/86)
57.	New Orleans, LA	Cox Cable	76,668	(6/86)
58.	Baton Rouge, LA	Cablevision Co.	76,518	(12/85)
59.	Tacoma, WA	Cable TV of Puget Sound	76,132	(3/85)
60.	Boston, MA	Group W	75,524	(4/86)
61.	Chicago, IL	Group W	75,000	(5/86)
62.	Santa Monica, CA	Heritage	74,000	(6/86)
63.	South Bend, IN	Heritage	71,693	(6/86)
64.	South Texas	Heritage	70,470	(6/86)
65.	Las Vegas, NV	Prime	70,091	(5/86)
66.	Cleveland Heights, OH	Viacom	70,000	(9/86)
67.	Allentown, PA	Service Elec.	70,000	(7/86)
68.	Greensboro, NC	ATC	69,200	(12/84)
69.	Nashville, TN	Viacom	69,000	(9/86)
70.	Orange County, CA	Times Mirror	68,323	(6/86)
71.	Omaha, NE	Cox Cable	67,917	(1/85)
72.	Boston Complex (Medford), MA	Warner	67,245	(6/86)
73.	Akron, OH	Warner	66,501	(6/86)
74.	Chicago, IL	Group W	66,446	(12/85)
75.	Fayetteville, NC	ATC	66,200	(5/86)
76.	Ocean County, NJ	Adelphia	66,051	(6/86)
77.	Raleigh, NC	ATC	65,800	(12/84)
78.	Columbus, OH	Warner	64,679	(3/85)
79.	St. Petersburg, FL	Group W	64,478	(5/86)
80.	Indianapolis, IN	ATC	64,000	(12/85)
81.	Syracuse (suburbs), NY	NewChannels Corp.	63,899	(12/85)
82.	Buffalo, NY	Tele-Communications Inc.	63,898	(8/85)
83.	Monterey, CA	Western Communications	63,429	(6/86)
84.	Des Moines, IA	Heritage	63,316	(6/86)
85.	New Haven, CT	Storer	63,000	(6/86)
86.	Madison, WI	Tele-Communications Inc.	62,099	(5/86)
87.	El Paso, TX	Group W	62,000	(10/85)
88.	Oklahoma City, OK	Cox Cable	62,000	(6/86)
89.	Las Vegas, NV	Times Mirror Cable	61,892	(7/85)
90.	Greater Bridgeport, CT	Cablevision Co.	61,458	8/86
91.	Santa Barbara, CA	Cox Cable	61,155	(6/86)
92.	Contra Costa Co., CA	Televets	61,000	(5/86)
93.	Sarasota, FL	Storer	61,000	(6/86)
94.	Lower Fairfield Co., CT	Cablevision Co.	60,093	8/86
95.	West Palm Beach, FL	Group W	60,000	(7/85)
96.	Mt. Prospect, IL	Cablenet	60,000	(3/85)
97.	Albany, GA	Storer	60,000	(6/86)
98.	Birmingham, AL	ATC	59,400	(12/84)
99.	Escondido, CA	Times Mirror	59,305	(6/86)
100.	Ft. Worth, TX	Sammons Communications	59,000	(7/85)

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CableVision

SEPTEMBER 29, 1986

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

EXCLUSIVITY DEBATE HEATS UP WITH BLAST FROM FUCHS

FOCUS ON EDP: SOFTWARE SOPHISTICATION IS KEY

DANIELS REPORT PUTS CABLE ECONOMIC IMPACT AT \$25 BILLION

HARDWARE SUPPORT PART OF SEARCH FOR PPV SOLUTIONS

**THE DISCOVERY CHANNEL BUILDING
MOMENTUM AFTER ROUGH BEGINNINGS**

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CableVision

FRONTLINE

The exclusivity debate 12
Showtime's gamble on exclusivity is stirring reactions ranging from out-and-out condemnation on the part of HBO Chairman Michael Fuchs to tentative support among some operators and tentative opposition among others. Across the board, the hope is that the effort will not result in higher costs with little gained.

National Cable Month 17
Next April will see programmers stacking their schedules with cable-exclusive programming and operators joining in the national effort to highlight cable without some of the constraints associated with previous national cable promotion campaigns.

Progress in PPV 20
A number of developments signal PPV partisans are remaining flexible in their efforts to overcome obstacles to rapid growth of the new services.

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MANAGEMENT

The EDP advantage 38
MSOs are putting strong emphasis on coming up with the right computer architecture and software to maximize the efficiencies available in electronic data processing. Herewith, a look at some of the strategies.

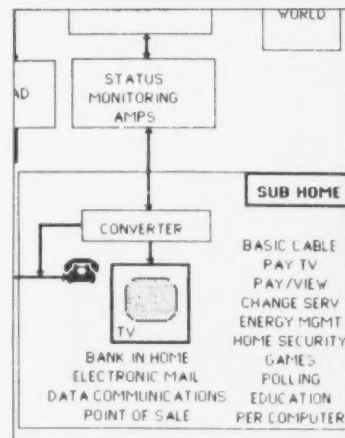
PC power

Billing vendors have come up with a variety of software programs designed to make maximum use of micro computers in all phases of system operations.

LAW AND REGULATION

First Amendment win?

Although a U.S. Court of Appeals has ruled in favor of cable's First Amendment rights in a Utah case, a concurring opinion may not bode well for future decisions.



BUSINESS

Cable's economic impact 46
A comprehensive study released by Daniels & Associates measures the cable industry's impact on the national economy at \$25 billion.



COVER STORY

Discovery on rise 28
The Discovery Channel's mix of science, nature and history programming fare is winning wide praise, but it has only been lately that the shape of a business plan with long-term staying power has come into focus. Now that momentum is building, the name of the game is "more advertising."

Pay Per View Supply Chart

A listing of movies and events entering PPV distribution over the next two months.

November

	Source		
Down and Out in Beverly Hills (11/12) MPAA Rating: R Running Time: 108 mins. Cast: Nick Nolte, Richard Dreyfuss, Bette Midler	Disney	Blue City (12/3) MPAA Rating: R Running Time: 83 mins. Cast: Judd Nelson, Ally Sheedy	Paramount
Dream Lover (11/6) MPAA Rating: R Running Time: 104 mins. Cast: Christie McNichols, Ben Masters, Paul Shenar	MGM/UA	Cobra (12/31) MPAA Rating: R Running Time: 87 mins. Cast: Sylvester Stallone, Brigitte Nielsen, Reni Santoni, Andrew Robinson.	Warner Bros.
Emmanuelle IV (11/6) MPAA Rating: R Running Time: 90 mins. Cast: Sylvia Krystal, Mia Nygren, Deborah Power	Cannon	Dead End Drive-In (12/14) MPAA Rating: R Running Time: 92 mins. Cast: Ned Manning, Natalie Curry, Peter Whitford	HBO Enterprises
Jo Jo Dancer, Your Life Is Calling (11/1) MPAA Rating: R Running Time: 99 mins. Cast: Richard Pryor, Debbie Allen, Art Evans, Fay Hauser	Columbia	Desert Bloom (12/1) MPAA Rating: PG Running Time: 106 mins. Cast: Jobeth Williams, John Voigt	Columbia
Just Between Friends (11/19) MPAA Rating: PG-13 Running Time: 110 mins. Cast: Mary Tyler Moore, Christine Lahti, Sam Waterston, Ted Danson	Orion	Fire With Fire (12/3) MPAA Rating: PG-13 Running Time: 104 mins. Cast: Craig Sheffer, Virginia Madsen, Kate Reid	Paramount
Running Mates (11/23) MPAA Rating: PG Running Time: 96 mins. Cast: Barbara Howard, Gregg Webb	HBO Enterprises	Legend (12/1) MPAA Rating: PG Running Time: 89 mins. Cast: Tom Cruise, Mia Sara, Tim Curry	Universal
Salvatore (11/15) MPAA Rating: R Running Time: 123 mins. Cast: James Woods, Jim Belushi, John Savage	HBO Enterprises	Making Contact (12/18) MPAA Rating: PG Running Time: 88 mins. Cast: Joshua Morrell, Eva Kryll, Tammy Shields	HBO Enterprises
The Money Pit (11/1) MPAA Rating: PG Running Time: 91 mins. Cast: Tom Hanks, Shelly Long, Alexander Gudenov, Maureen Stapleton	Universal	Police Academy 3: Back in Training (12/29) MPAA Rating: PG Running Time: 84 mins. Cast: Steve Guttenberg, Bubba Smith, Tim Kazurinsky, Michael Winslow	Warner Bros.
Violets Are Blue (11/1) MPAA Rating: PG-13 Running Time: 86 mins. Cast: Cissy Spacek, Kevin Kline, Bonnie Bedelia	Columbia	Poltergeist II (12/1) MPAA Rating: PG Running Time: 90 mins. Cast: Jobeth Williams, Craig T. Nelson, Heather O'Rourke	United Artists
Wildcats (11/17) MPAA Rating: R Running Time: 105 mins. Cast: Goldie Hawn, Swoosie Kurtz, James Keach, Nipsey Russell	Warner Bros.	Short Circuit (12/1) MPAA Rating: PG Running Time: 99 mins. Cast: Ally Sheedy, Steve Guttenberg, Fisher Stevens	Tri-Star
Wise Guys (11/1) MPAA Rating: R Running Time: 91 mins. Cast: Danny DeVito, Joe Piscopo, Harvey Keitel	MGM	Sweet Liberty (12/1) MPAA Rating: PG Running Time: 107 mins. Cast: Allen Alda, Michael Caine, Michelle Pfeiffer	Universal
		Vamp (12/1) MPAA Rating: R Running Time: 91 mins. Cast: Grace Jones, Gedde Watanabe, Chris Makepeace	HBO Enterprises

December

	Source	
At Close Range (12/15) MPAA Rating: R Running Time: 111 mins. Cast: Sean Penn, Christopher Walken, Mary Stuart Masterson	HBO Enterprises	

Note: Film information provided to International Thomson Communications Inc. by distributors.

NR indicates film not rated by MPAA.

Pay Per View Services Profile

Service:	Cable Video Store	Request Television	Telstar Channels	Viewer's Choice
Launch:	April 1, 1986	November 27, 1985	June 5, 1986	November 26, 1985
Delivery:	Satcom 4, transponder 16	Galaxy 1, transponder 12	Interrum standalone, presently testing on Telstar 303	VC-1 Satcom 3R, transponder 5 VC-2 Galaxy 1, transponder 16
Encryption:	M/A-COM VideoCipher II	M/A-COM VideoCipher II	Presently testing General Instrument Starloc IV	M/A-COM VideoCipher II
Programming:	All movies, 24 hours per day, 50-60 titles per month.	Two to four major motion pictures per week, special events	Channels 1&2: two major motion pictures on biweekly rotation, Channel 3: three major motion pictures per week, special events	One major motion picture per week, special events
Subscribers:	Field trial basis; currently serving 10 MSO's nationwide. (2,500 + Impulse addressable subscribers)	Available in systems serving 1.8 million subs (1.3 million addressable)	Available in systems serving 74,000 subs (11,500 addressable).	Available in systems serving 1.8 million subs (1.2 million addressable)

BUSINESS & FINANCE

Daniels study sets cable portion of U.S. economy at \$25 billion

By John Wolfe

The cable television industry accounted for two percent of the new jobs generated by the national economy during the past six years and contributed approximately \$25 billion to the nation's Gross National Product, according to "Impact '86," a new study detailing the impact of the cable industry on the nation's economy.

The study, commissioned by Daniels & Associates' Chairman Bill Daniels, represents the first comprehensive measurement of the extent to which the industry's explosive growth has impacted the national economic picture in terms of jobs, personal income and related economic activity. The report was prepared by Browne, Bortz & Coddington Inc., the Denver-based economic research firm.

"It's been frustrating when someone asks me to detail our industry's economic impact," said Daniels, who presented the report to the National Cable Television Association's board of directors Sept. 18 during their meeting in Washington, D.C. "I've inherently known that we've made a significant contribution to our country with jobs, personal income and the flow of money

into other sectors," he said. "But we haven't had the facts to back it up."

Daniels said he funded the research project as a "gift" to those "involved with our industry."

The cable industry, according to the report, "has witnessed explosive growth during the 1980's," doubling the number of subscribers and tripling its revenues from 1980 to 1986. "As a direct result of this growth," the report claimed, "cable has emerged as a major player in the communications industry and as a significant contributor to the overall strength of the national economy."

According to the report, industry revenues increased from \$2.9 billion in 1980 to \$9.6 billion in 1985—a compounded annual growth rate of 27 percent, compared to an 8.7 annual increase for the Gross National Product. The report notes that although all media and communications industries have grown rapidly during the 1980's, "cable is the star performer." Cable's 27 percent revenue growth surpasses rates of 15 percent or less for the broadcast television, motion picture, newspaper, telephone, radio and periodicals businesses, according to the study.

The report estimated that more than 200,000 new cable-related jobs were created over the past six years. "As such," the report maintained, "the cable industry was responsible for about 2 percent of the 10 million new jobs created in the American economy since 1980."

Brown, Bortz estimated that 77,000 employees currently work directly for cable operators, with 94.4 percent of those employed at the system level—illustrating the "local service nature" of the industry, the report said. Another 5,100 persons are employed by operators on a contractual basis, the report said.

Although cable is becoming dominated by MSOs, the report said, the business remains "in essence, a distinctly local business" with MSOs decentralizing their operations. "From an economic standpoint," the report maintained, "this industry structure means that the economic benefits of cable are spread throughout the United States rather than being concentrated in only a few locations."

Direct cable operator employee compensation, including benefits, was estimated at \$1.82 billion for 1986, which corresponds to approximately 18 percent of revenues and 28 percent of operating expenses, according to the report.

Suppliers linked to the cable industry will receive nearly \$6 billion for cable activities in 1986, the study predicted. Construction contractors will receive \$350 million and employ 5,000 persons for cable-related jobs; the manufacturing industry (primarily equipment vendors) will get \$1.16 billion and employ 12,200; the utility and transportation industry will receive \$425 million and employ 4,800; and the wholesale and retail trade industry will get \$200 million and employ 4,100.

The report also predicted that revenues to the finance, insurance and real estate sector will garner about \$380 million in fee revenues in 1986; in addition, cable operators are projected to pay \$1.4 billion in interest on loans during the year. Cable-related employment in that sector was expected to be 3,700 persons.

According to the report, purchases from program suppliers rank right behind direct employee compensation as

Table 1

Summary of Direct and Linked Employment and Employee Compensation in the Cable Television Industry, 1986

Impacts by Economic Sector

Sector	Employment	Total Employee Compensation* (Millions)
Manufacturing	12,200	\$ 480
Contract Construction	5,000	110
Transportation, Communications and Public Utilities	90,400	2,170
Retail and Wholesale Trade	4,100	80
Finance, Insurance and Real Estate	3,700	120
Services	18,800	330
Total	134,200	\$3,290

*Total employee compensation includes wage and salary disbursements, employee benefits and payroll taxes paid by both employee and employer.

cable operators' greatest expenses. Brown, Bortz estimated that total program service revenues directly linked with the cable industry will approximate \$2.4 billion in 1986, with \$1.4 billion of that going to premium program suppliers (including regional pay sports services and pay-per-view).

Basic and premium programmers will employ 8,200 persons in 1986, paying them approximately \$250 million in compensation, the report said.

The report also found that the cable industry is a major supporter of the motion picture industry. According to the study, the total cost of product purchased from the motion picture studios and other members of the production community by cable programmers

will near \$1 billion in 1986. About 60 percent of that figure will be to premium programmers for theatrical product.

Total direct and linked employment in the cable industry will total 134,200 this year, with an aggregate compensation of \$3.29 billion, the report said. Moreover, when combined with indirect economic impacts—such as economic activity generated by the purchase of goods and services by firms dependent on the cable industry—the aggregate number of employees rises

to 441,000, with a total income of \$11.5 billion. Those figures translate to approximately one-half of 1 percent of total U.S. employment and income, the report maintained.

"In spite of tremendous opposition in the early years of our existence, cable television has clearly emerged as a strong national resource," Daniels claimed. "We're one of those 'clean' industries sought by communities," he added, "and virtually every community receives positive economic benefits from cable."



'In spite of tremendous opposition in the early years of our existence, cable television has clearly emerged as a strong national resource.'

—Bill Daniels

This Announcement Appears As a Matter of Record Only.

July 31, 1986

Nortel Cable Associates, Limited Partnership

(An Affiliate of Countryside Cable, Inc.)

\$ 3,000,000	Revolving Credit
15,500,000	Senior Secured Notes
3,000,000	Subordinated Notes
5,000,000	Limited Partnership Units

For the Acquisition of the Cable Systems Serving the Minneapolis Suburbs of Bloomington, St. Louis Park and Fridley, Minnesota.

The Undersigned Arranged This Financing.



Cable Investments, Inc.

8400 East Prentice Avenue Suite 1115
Englewood, Colorado 80111
(303) 793-3344

CABLE STATS

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	225	4,000,000
Alternate View Network	196	2,117,519
American Music & Entertainment Network	26	500,000
Arts & Entertainment (A&E)	2,200	19,700,000
Black Entertainment Television (BET)	590	13,015,183
Cable News Network (CNN)	9,386	33,100,000
Cable Value Network	20	200,000
C-SPAN	2,250	25,250,000
C-SPAN II	264	7,500,000
CBN Cable Network	7,188	31,000,000
CNN	9,561	33,501,000
Consumer Discount Network	NA	NA
Country Music Television	425	6,200,000
The Discovery Channel	952	8,580,299
ESPN	13,878	36,900,000
Eternal Word Television Network (EWTN)	314	4,800,000
Financial News Network (FNN)	1,360	22,300,000
Headline News	3,157	18,039,000
Hit Video USA	41	1,700,000
Home Shopping Network	324	8,000,000
Innovations In Living (HSN2)	15	2,000,000
International Television Network	5	622,000
The Learning Channel	760	6,841,455
Liberity Broadcasting Network	90	1,300,000
Lifetime	2,987	25,800,000
Music Television (MTV)	4,269	30,700,000
The Nashville Network	3,770	26,600,000
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	4,501	29,000,000
PTL The Inspirational Network	1,300	13,000,000
Prater	NA	NA
Rock Christian Network	9	886,000
Silent Network	206	6,800,000
SIN Television Network	383	33,673,300
Tempo Television	640	12,000,000
Trinity Broadcasting Network	433	6,210,000
USA Network	6,500	33,000,000
Video Hits One	1,189	14,100,000
Video Shopping Mall	NA	NA
The Weather Channel	2,100	20,500,000
WGN-TV	8,325	20,900,000
WOR-TV	1,877	8,430,680
WPIX-TV	227	2,400,000
WTBS-TV	10,790	36,078,000

Pay services

American Extasy	6	60,000
American Movie Classics	258	710,000
Bravo	240	360,000
Cinemax	3,300	3,700,000
The Disney Channel	2,958	2,550,000
GalaVision	234	183,000
Home Box Office (HBO)	6,900	14,600,000
Home Theater Network (HTN)	350	300,000
Showtime	3,200	5,400,000
The Movie Channel	3,250	3,250,000
The Nostalgia Channel	125	350,000
The Playboy Channel	580	732,000
Private Ticket	4	NA

Audio services

Cable Radio Network	21	1,300,000
KKGO Super Jazz	11	98,521
Lifestyle	147	2,600,368
Lifestyle AC	15	679,936
Moody Bible Institute	66	890,968
Satellite Radio Network	251	740,000
Stadioline	NA	NA
Tempo Sound	300	1,000,000
WFMT Chicago	162	1,287,000

Text services

AP News Cable	275	3,600,000
AP News Plus	60	1,500,000
Cable SportsTracker	22	1,951,000
DBC/MarketWatch	50	NA
Electronic Program Guide (EPG)	275	5,496,000
EPG Jr.	61	68,743
Genesis Cable Storytime	26	1,035,000
Reuters News View	325	3,250,000
TV Decisions	120	3,420,000

Affiliates Subscribers

UPI Data Cable	450	4,000,000
X*Press	60	1,000

Non-satellite-fed services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fuji Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	6	113,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	37	1,185,000
The Ecumenical Channel	7	148,000
KTVT	109	1,804,000
Life Newsvision	24	36,000
Madison Square Garden	67	1,900,000
Meadows Racing Network	14	446,000
MetroChannel	1	118,000
Prime Ticket	46	1,300,000
SportsVision (Chicago)	37	490,000
Texas Cable Network	15	646,000

Pay services

Dodgervision	44	935,000
Home Sports Entertainment—Houston/Dallas	105	190,000
Home Team Sports	74	327,000
New England Sports Network	130	121,858
PRISM-Philadelphia	91	370,000
Pro-Am Sports	107	106,000
SportsChannel (New England)	110	235,000
SportsChannel (New York)	60	508,000
Z Channel	21	95,000

Announced services

Satellite-fed services Expected Launch

America's Shopping Channel	4th Quarter 1986
American Family Network	10/86
American Shopping Channel (Consolidated/ASC)	10/86
American Wholesale Network	10/86
Apollo Entertainment Television	TBA
The Book Channel	TBA
The BusenaVision Channel	TBA
Cable Shopper's Network (Jewelcor)	4th Quarter 1986
Comedy Television	4th Quarter 1986
Crazy Eddie World Of Home Entertainment Shopping Network	11/86
Discovery Computer Network	1987
Discovery Financial Network	4th Quarter 1986
El Canal Musical	TBA
Ethnic Radio Networks	4th Quarter 1986
EventTelevision	4th Quarter 1986
International Business Network	4th Quarter 1986
Let's Go Shopping Network	4th Quarter 1986
Magicable	TBA
Movie Time	1st Quarter 1987
The Preview Network (Cable Promotion Network)	12/86
QVC Network	1/87
Shop-At-Home Channel	10/86
Sky Merchant	1/87
Softcast/National Digital Network	4th Quarter 1986
The Travel Network	4th Quarter 1986
Tunnelvision	4/87

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217. NA denotes not available. TBA denotes to be announced.

10/16/86 C4722-2

OCTOBER 13, 1986

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

CONGRESS DECIDES TO LEAVE SCRAMBLING ALONE

S-A DEVELOPS ON-PREMISE TRAP SYSTEM FOR TCI

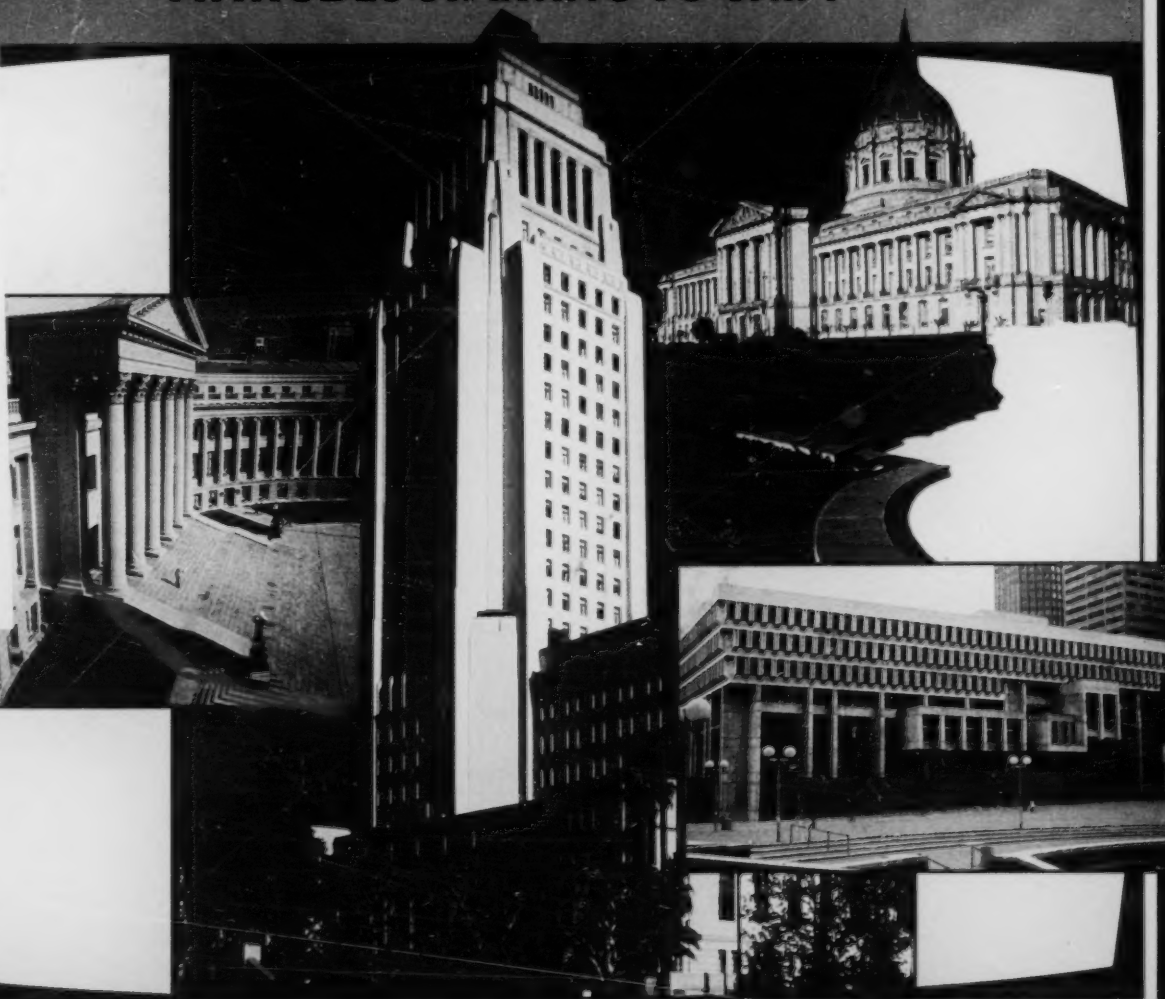
VIACOM BUYOUT PLAN HOLDS UP UNDER FIRE

CABLE NETS RESHAPING HOLLYWOOD THINKING

OVERBUILD ACTIVITY REKINDLES OLD DEBATE

**CITIES AND THE CABLE ACT:
ATTITUDES STARTING TO SHIFT**

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FRONTLINE

Scrambling bill defeated 12
Gore amendment on scrambling goes down to defeat, lifting threat of action in this Congress.

S-A breakthrough 12
Scientific-Atlanta develops signal delivery system for TCI using traps mounted on premises.

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Speakers and panelists at Great Lakes Expo focus on customer service as key industry issue.

Viacom deal potential 20
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PROGRAMMING

Cable in the marketplace 26
Rapid escalations in the amounts being spent by cable programming networks for product are reshaping Hollywood thinking about cable.



MARKETING

Max on a roll 50
Cinemax's Max Headroom setting pace for marketing/product tie-ins as ploy gains greater use among cable nets.



BUSINESS

Overbuild jitters 60
Despite strong evidence that head-to-head competition doesn't work in cable, increase in overbuild activity raises possibility of broadening competition.

FROM NEW YORK

Soaring prices 88
There are sound reasons for the concerns expressed by cable finance executives recently over the astronomical prices some buyers are paying for cable systems.



COVER STORY

New era for cities 54
The recent convening of the National Association of Telecommunications Officers and Advisors in Philadelphia revealed strong shifts in city approaches to cable under the Cable Act.

Film product comparison-November

Film	Pay Networks				Distributor
Adventures of a Taxi Driver		ST*			Miramax
Advice to the Lovelorn	(HBO)		HTN		Universal
Airplane!	HBO*		(MAX)		Paramount
Alchemist, The			MAX		Vestron
Amadeus		ST*			Paramount
American Dreamer	(HBO)		MAX		CBS
Angel and The Bad Man			MAX		Hal Roach
Angelo, My Love		TMC*			Film Gallery
Another Country		TMC*			Orion
Antarctica			HTN*	(MAX)	20th Century-Fox
Apology	HBO*				Peregrine
Arthur's Hallowed Ground					Film Gallery
Avenging Angel	HBO		TMC		New World
Awful Truth, The			(MAX)		Columbia
Baby, Secret of the Lost Legend	(HBO)	ST			Disney
Bad Manners		ST			MAX
Bad Medicine	HBO		TMC		New World
Beast From 20,000 Fathoms, The					20th Century-Fox
Best Defense		TMC			MAX
Beverly Hills Cop		ST			Warner Bros.
Bill of Divorcement, A		(ST)	TMC		Paramount
Birdy	HBO			HTN	ABC Video
Bitch, The				(MAX)	Tri-Star
Blame It On The Night	HBO*	ST			Telepictures
Blood Simple	(HBO)		(TMC)		(MAX)
Blow Out					Tri-Star
Born Free		ST			Circle Releasing
Bostonians, The					Orion
Boys Next Door, The					Columbia
Breakfast Club, The	(HBO)		TMC*		Almi
Breakin' 2 Electric Boogaloo	HBO				New World
Bride, The	HBO				MAX
Brigadoon			(MAX)		Tri-Star
Born Yesterday			(TMC)		Columbia
Bringing Up Baby					MGM/UA
British Rock The First Wave					Columbia
Camelot					RKO
Candidate, The					MAX
Cat Ballou					Fox Lorber
Cat's Eye					Warner Bros.
Choose Me	HBO				Warner Bros.
Chorus Line, A					Columbia
Christmas Story, A					MGM/UA
City Lights	HBO	ST			Atlantic
City Limits				(HTN)	Atlantic
Clairvoyant, The	HBO		TMC		20th Century-Fox
Cocoon	HBO				20th Century-Fox
Comfort and Joy	HBO				Universal
Compromising Positions					Paramount
Continental Divide					Universal
Deadly Eyes					Warner Bros.
Deadly Force					MAX
Death Wish III					Cannon
Deja Vu	HBO				Cannon
Desperately Seeking Susan	(HBO)				Orion
Desperate Search					MGM/UA
Die Laughing					Warner Bros.
Dogs					Viacom
Double Man, The					Warner Bros.
Dreamchild					Thorn-EMI
Dummy					Warner Bros.
Ellie					MAX
Empire Strikes Back, The	(HBO)				Troma
Excalibur					Lucasfilm
Final Option, The	HBO*				Warner Bros.
Finian's Rainbow	HBO				MGM/UA
Fire In The Stone					Warner Bros.
Flamingo Kid, The	(HBO)				Tolchin Films
Flashpoint	HBO				Universal
Fletch	(HBO)				Silver Screen
Forever, Darling	(HBO)				Universal
Four Seasons, The					MGM/UA
Free Spirit	HBO				Universal
Gang That Couldn't Shoot Straight, The					Brenner
Get Crazy					MGM/UA
Ghoulies	HBO				Embassy
Goonies, The	HBO				(MAX)
Gotcha					Warner Bros.



Jennifer Beales and Sting star in 'The Bride.'

Film	Pay Networks				Distributor
Grease	HBO	(ST)	TMC*	(MAX)	Paramount
Great Caruso, The					MAX
Great Expectations					MGM/UA
Gremlins	(HBO)	ST*	TMC*	MAX*	New Century
Gunn					Warner Bros.
Hambone and Hillie	(HBO)	ST	(TMC)	HTN	Paramount
Hardcore					New World
Hasty Heart, The					Columbia
Hearts and Armour					MAX
Heated Vengeance					Warner Bros.
Hollywood Ghost Stories					Transcon
Home Movies	HBO				Castle Hill
Hotel	(HBO)				Satori
Hundra					Warner Bros.
Indiscretions of An American Wife					Goldfarb
Insignificance					HTN
Into The Night					ABC Video
Irreconcilable Differences					Lorimar
Isaac Little Feathers	HBO	(ST)	TMC	(HTN)	Universal
It All Came True					(MAX)
I Thank A Fool					Warner Bros.
Jaws					International Media
Johnny Dangerously	HBO				MGM/UA
Just The Way You Are					MGM/UA
Key Exchange	(HBO)				20th Century-Fox
Kidco	HBO				20th Century-Fox
Killing Fields, The					Warner Bros.
King In New York, A					20th Century-Fox
King Kong					RKO
King of the Jungle					Universal
King Solomon's Mines					Cannon
Krush Groove					MAX
Last Romantic Lover, The	(HBO)				MAX
Last Run, The					New Line
Lavender Hill Mob, The					MGM/UA
Legend of Billie Jean, The	HBO				New Century
Lianna					Tri-Star
Little Darlings					David Armstrong
Looker					Paramount
Lovelines	(HBO)				Warner Bros.
Love Scenes					Tri-Star
Lunch Wagon					Playboy
Macaroni					Seymour Bords
Mad Max Beyond Thunderdome	(HBO)				Paramount
Major Barbara					MAX*
Man In The Wilderness	(HBO)				Warner Bros.
Man Who Saw Tomorrow, The	(HBO)				New Century
Mass Appeal					Warner Bros.
Matter of Life And					Universal

Film Pay Networks Distributor

Death, A	HBO				Lorimar
Megaforce				MAX	Galaxy
Minstrel Man		ST			Viacom
Mishima				MAX	Warner Bros.
Missing In Action	(HBO)	ST	(TMC)	(MAX)	Cannon
Mistress Pamela		ST			Intercontinental
Model Behavior		(ST)		MAX	Ho-Tel
Mothers Against					
Drunk Drivers	(HBO)			HTN	Universal
Movers and Shakers	HBO				MGM UA
Murphy's Romance				MAX	Columbia
Music Man, The			TMC		Warner Bros.
My Man Adam				MAX	Tri-Star
My Science Project	(HBO)	ST*	(TMC)		Walt Disney
1984	(HBO)		(TMC)	MAX	Atlantic
Nancy Goes To Rio			TMC*		MGM UA
National Lampoon's					
European Vacation		(ST)	(TMC)	MAX	Warner Bros.
Never Let Me Go		ST			MGM UA
Never To Love				HTN	ABC Video
New Kids, The				MAX	Columbia
New Maverick, The				MAX	Warner Bros.
New York Nights				MAX	International
Night of the Comet		(ST)	TMC*	(HTN) (MAX)	Talent
Night Patrol	(HBO)				Atlantic
Night School		ST*			New World
Ninja Wars		ST			Lorimar
No Small Affair	HBO			(MAX)	Muller Media
Nutcracker	HBO*	(ST)			Columbia
Oh, God! Book II				HTN	Almi
Oh God, You Devil!	(HBO)	ST		(HTN) (MAX)	Warner Bros.
Once Bitten	HBO				Warner Bros.
One On One	HBO				Goldwyn
Our Time				MAX	Warner Bros.
Out of Control				MAX	New World
Outrage, The		ST			MGM UA
Painted Hills, The		ST			MGM UA
Police Academy II	(HBO)	(ST)	TMC		Warner Bros.
Polly of the Circus		ST			MGM UA
Porky's II The					
Next Day	HBO		(TMC)	(MAX)	20th Century-Fox
Power	HBO				Lorimar
Power and the					
Prize, The			TMC		MGM UA
Prime Risk	HBO*				Almi
Prisoner of War		(ST)	TMC		MGM UA
Protocol	HBO	(ST)	(TMC)	HTN* (MAX)	Universal
Q	HBO				UPD
Quinn's, The		ST			J. Phillips
Rambo First Blood					
Part II	HBO*			(MAX)	Tri-Star
Razorback	(HBO)			(MAX)	Warner Bros.
Real Genius	HBO		TMC	(MAX)	Tri-Star
Red Light String, The			TMC	MAX	New Century
Red Shoes			TMC	MAX	20th Century-Fox
Red Sonja		ST	TMC		TBS
Remains To Be Seen		ST			MGM UA
Remember the Day				MAX	20th Century-Fox
Richard Pryor Live					
In Concert			TMC		Gary Biller
River, The	HBO	(ST)		(HTN) (MAX)	Universal
River Rat, The			TMC		Paramount
Roadhouse 66	HBO		TMC*	(MAX)	Altantic
Rock & Rule	(HBO)		TMC*		MGM UA
Royal Wedding	(HBO)	ST	(TMC)		MGM UA
Rubber Tarzan			TMC		Janus Films
Ruby Gentry				HTN	ABC Video
Runaway	HBO*				Tri-Star
St. Elmo's Fire	(HBO)			MAX	Columbia
Second Hand Hearts	HBO*	(ST)			Lorimar
Second Time Lucky			TMC	(MAX)	Goldfarb
Serial			TMC	MAX	Paramount
Sesame Street Presents					
Follow That Bird	(HBO)	(ST)	TMC		Warner Bros.
Shaker Run	HBO				Goldwyn
She's Working Her Way				MAX	Warner Bros.
Through College					Gavin Film
Shooting Parting, The		ST*	TMC*		Paramount
Silver Bullet			(TMC)		
Sinbad and the Eye					
of the Tiger	HBO				Columbia
Snow Bunnies				MAX	Satori
S.O.B.			TMC	MAX	Lorimar
Soldier's Story, A	HBO*			(MAX)	Columbia
Some Kind of Hero		ST	(TMC)	(MAX)	Paramount
Stalking Moon, The			(TMC)	HTN	Warner Bros.
Steel	(HBO)			HTN*	World Northal
Stop, You're					
Killing Me		ST			Warner Bros.
Stranger Than Paradise			TMC		Goldwyn
Stud, The		ST*			Telepictures
Superman		(ST)	(TMC)	MAX*	Warner Bros.
Sword of Gideon	HBO				I.C.C.



Eddie Murphy stars in 'Beverly Hills Cop.'

Film Pay Networks Distributor

28 Up				TMC	Granada TV
2010	(HBO)	(ST)		HTN* (MAX)	MGM UA
Talk to Me				HTN*	Atlantic
Tartars, The		ST			MGM UA
Target	HBO				Warner Bros.
Teachers	HBO	(ST)	(TMC)	(MAX)	MGM UA
Threshold				MAX	20th Century-Fox
Time After Time				MAX	Warner Bros.
Time Bomb				HTN (MAX)	Universal
To Live and Die					
In L.A.	HBO			HTN	United Artists
Topaze					ABC Video
Trancers	(HBO)			TMC	Vestron
Toy Soldiers				TMC*	New World
Twentieth Century					Columbia
Unfinished Journey of					
Robert Frances Kennedy, The				HTN	MAX
Victor Victoria	HBO	ST	(TMC)	(MAX)	Universal
View To A Kill, A	(HBO)			HTN*	MGM UA
Warning Sign	(HBO)			TMC	20th Century-Fox
Wedding, A				TMC	20th Century-Fox
Weird Science					Universal
Whirlpool	HBO				WW Enter.
Wholly Moses!	HBO				Columbia
Wild Life, The		ST	TMC*	(MAX)	Universal
Witness		ST			Paramount
Young Man With A Horn				TMC	Warner Bros.
Zachariah				TMC	Viacom
Zapped	(HBO)				Embassy
Year of the Dragon		ST		MAX	MGM UA

Cable Network Legend:
HBO-Home Box Office
ST-Showtime
TMC-The Movie Channel
HTN-Home Theater Network
MAX-Cinemax

■ Networks in parentheses indicate carriage in June, July, August, September and/or October.

■ An asterisk indicates the film is a carry-over from June, July, August, September and/or October.

■ In total, 236 films appear on the September schedules of Home Box Office, Showtime, The Movie Channel, Home Theater Network and Cinemax. Of those titles, during the last six months, three have played on all five services, 17 have played on four of the five services, 33 have played on three services and 60 have played on two of the five services. One hundred and twenty-three titles were unduplicated in the last six months.

■ The motion picture distributor with the most titles on pay TV in November is Warner Bros. with 39, followed by MGM UA with 29, Universal with 19, Columbia with 15, and Paramount and Twentieth Century-Fox with 14 each.

■ Titles subject to change.

CABLE STATS

Cable Industry Growth Chart

YEAR	TVHH	Homes Passed	Basic Subscribers	% of TVHH	Pay Subscribers	% of TVHH
1990E	93,900,000	81,783,000	50,706,000	54	32,959,000	35
1989E	92,800,000	79,109,000	48,256,000	52	30,883,000	33
1988E	91,000,000	75,833,000	45,500,000	50	28,665,000	32
1987E	89,300,000	71,137,000	41,971,000	47	26,022,000	30
1986E	87,800,000	68,121,000	39,510,000	45	24,101,000	27
1985	86,304,000	64,571,000	36,120,000	42	21,672,000	25
1984	84,600,000	59,989,000	32,994,000	39	19,764,000	23
1983	83,500,000	53,641,000	30,300,000	36	17,877,000	21
1982	82,800,000	49,100,000	28,200,000	34	15,898,000	19
1981	80,700,000	44,000,000	22,596,000	28	11,804,000	15
1980	77,800,000	37,300,000	18,672,000	24	7,780,000	10
1979	76,300,000	32,700,000	16,023,000	21	5,341,000	7
1978	74,500,000	27,200,000	14,155,000	19	2,980,000	4
1977	73,300,000	24,894,000	13,194,000	18	1,466,000	2
1976	71,114,000	21,989,000	12,094,000	17	505,000	1
1975	69,600,000	19,900,000	11,136,000	16	N/A	N/A

Source: CableProFile Data Base. INTERNATIONAL COMMUNICATIONS RESEARCH.

Cable barometer

Television households (TVHH)	86,304,000
Homes passed by cable (HP)	64,571,000
Percent of TVHH passed by cable	74.7%
Basic cable subs	36,120,000
Percent of TVHH with basic cable	41.8%
Percent of HP with basic cable	56.0%
Pay cable subs	21,672,000
Percent of TVHH with pay cable	25.1%
Percent of HP with pay cable	33.6%
Percent of basic subs with pay cable	60.0%

Source: CableProFile Data Base. INTERNATIONAL COMMUNICATIONS RESEARCH.

Satellite lineup

Satcom III-R (RCA Americom)

Transponder

Arts & Entertainment	24
BET	20
CBN Cable Network	8
Cable Radio Network	4
Cable Value Network	18
Cinemax (West)	23
ESPN (Blackout)	7
Eternal Word Television Network	12
Financial News Network	4
Genesis Storytime	8
HBO (West)	13
HSN2	2, 16
HTN	16
Home Shopping Network	22
The Learning Channel	2
Lifetime	17
MTV	11
National Jewish Television	18
Nickelodeon	1
PTL	2
Reuter Monitor Service	18
Showtime (West)	10
Studioline	19
Tempo Television	6
TV Decisions	24
Trinity Broadcasting Network	3
Video Hits One	15
Viewer's Choice	5
The Weather Channel	21

Satcom IV (RCA Americom)

Transponder

American Movie Classics	10
American Music & Entertainment Network	15
Biznet	6
Bravo	2
Consumer Discount Network	20, 24
Hit Video USA	18
Home Sports Entertainment	11
Home Team Sports	22
Innovations In Living (HSN2)	7
Liberty Broadcasting Network	6
Madison Square Garden	13
New England Sports Network	4
Nickelodeon (West)	21
Nostalgia Channel	24
The Playboy Channel	14
Pratco TV Shopper's Showcase	20
Prime Ticket	3
Rock Christian Network	3

The Silent Network	23V
SportsVision	8
WPIX - New York	19

Westar III (Western Union)

Transponder

CNN	5
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Westar V (Western Union)

Transponder

Fantasy Unrestricted Network (FUTV)	24
FUN Weekend Pay-per-view	24
Pro-Am Sports System (PASS)	14
The University Network	2

Telstar 303 (AT&T)

Transponder

American Extasy	19
Country Music Television (CMTV)	18
KTVT (Dallas)	22
SelectTV	13

Galaxy I (Hughes)

Transponder

Alternate View Network	22
CBN Cable Network	11
Cinemax (East)	19
CNN	7
C-SPAN	13
The Discovery Channel	22
The Disney Channel (East)	4
(West)	24
EPG	3
ESPN	9
GalaVision	20
HBO (East)	23
Headline News	8
Keyfax National Teletext Magazine	18
Moody Broadcasting Network	3
The Movie Channel (East)	10
(West)	14
The Nashville Network	2
PTL	17
Request Television	12
Seeburg Adult Contemporary	3
Seeburg Contemporary Instrumental	3
Showtime (East)	5
SIN	6
Studioline	13
Viewer's Choice 2	16
WGN	3
WOR-TV	15
WTBS	18

Note: A company name in parentheses following a service or network designates the transponder owner.

Source: International Thomson Communications Inc.

Top 100 MSOs

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	3,778,621	(11/85)
2.	American Television and Communications Corp.	2,700,000	(12/85)
3.	Group W Cable	2,162,000	(10/85)
4.	Storer Cable Communications	1,536,000	(8/86)
5.	Cox Cable Communications	1,330,956	(8/86)
6.	Warner Cable Communications Inc.	1,258,945	(6/86)
7.	Continental Cablevision	1,196,000	(6/86)
8.	Comcast	1,095,194	(8/86)
9.	United Cable	1,027,602	(7/86)
10.	Newhouse Broadcasting	972,377	(4/86)
11.	Viacom Cablevision	930,000	(9/86)
12.	Times Mirror Cable Television Inc.	822,669	(6/86)
13.	Jones Intercable	763,165	(9/86)
14.	UA Cablesystems Corp.	735,431	(2/86)
15.	Heritage Communications Inc.	725,567	(8/86)
16.	Sammons Communications Inc.	708,609	(12/85)
17.	Cablevision Co.	697,335	(8/86)
18.	Rogers Cablesystems Inc.	534,241	(6/86)
19.	Telecable Corp.	467,941	(3/86)
20.	Prime Cable Corp.	413,000	(7/86)
21.	Daniels & Associates	408,421	(7/86)
22.	McCaw Communications	383,000	(7/86)
23.	Cable Vision Industries	367,700	(8/86)
24.	Post-Newsweek	361,754	(7/86)
25.	Wometco Cable TV Inc.	354,283	(7/86)
26.	Centel Cable	354,051	(6/86)
27.	Scripps Howard	335,647	(7/86)
28.	American Cablesystems Corp.	323,187	(4/86)
29.	Century Communications Corp.	318,060	(12/85)
30.	Falcon Cable	302,000	(6/86)
31.	Multimedia Cablevision	279,125	(9/86)
32.	TCA Group	278,404	(8/86)
33.	Colony Communications Inc.	242,956	(6/86)
34.	Maclean Hunter Cable TV Ltd.	241,297	(6/86)
35.	Tele-Media	215,000	(7/86)
36.	Adephia Communications	212,660	(6/86)
37.	Rollins Cableview Inc.	210,500	(6/86)
38.	Service Electric Cable TV Inc.	195,000	(7/86)
39.	TCI-Taft	191,745	(6/86)
40.	TKR Cable Co.	181,000	(9/86)
41.	Communications Service Inc.	179,900	(2/85)
42.	Western Communications	175,502	(7/86)
43.	CableEntertainment	171,564	(9/86)
44.	Sutton Capital Corp.	166,561	(2/86)
45.	Rifkin & Associates	160,000	(8/86)
46.	Adams-Russell Communications	151,449	(5/86)
47.	Cencom Cable	151,279	(6/86)
48.	Harte-Hanks Communications	146,813	(8/86)
49.	Harron Communications	127,827	(7/86)
50.	Buckeye Cablevision	126,047	(4/86)
51.	Lenfest Group	125,731	(2/86)
52.	Greater Media Cable	124,662	(3/86)
53.	Televents Inc.	123,584	(7/86)
54.	Harris Cable Corp.	122,904	(8/86)
55.	Armstrong Utilities	121,509	(7/86)
56.	Palmer Communications	118,013	(7/86)
57.	First Carolina Communications Inc.	117,469	(7/86)
58.	Summit Communications	111,982	(8/86)
59.	Sonic Communications	110,000	(7/86)
60.	Media General Inc.	107,440	(2/86)
61.	The Essex Group	105,166	(5/86)
62.	Scott Cable Communications	105,000	(3/86)
63.	U.S. Cable Corp.	103,026	(8/86)
64.	Multi-Channel TV Cable Inc.	101,874	(4/86)
65.	Booth Communications	97,671	(7/86)
66.	Simmons Communications	96,991	(7/86)
67.	King Videocable	91,953	(8/86)
68.	Perry Cable TV Corp.	91,306	(8/86)
69.	McDonald Group	90,079	(8/84)
70.	WEHCO Video	84,840	(7/86)
71.	Columbia Associates	80,000	(7/86)
72.	Midcontinent Cable Systems Co.	79,790	(9/86)
73.	Marcus Communications	77,431	(8/86)
74.	Pencor Services	74,868	(8/86)
75.	Northland Communications	74,400	(8/86)
76.	Omega Communications	74,213	(6/86)
77.	Susquehanna Broadcasting	72,235	(1/86)
78.	Selkirk Communications	62,000	(2/86)
79.	National Telecommunications Corp.	61,625	(1/86)
80.	The Daily Press	60,100	(6/86)
81.	Action Corp.	56,337	(8/86)
82.	Helicon Corp.	55,000	(2/86)
83.	Mountain Cable Co.	55,000	(4/86)
84.	Massada Corp.	53,237	(7/86)
85.	Cardinal Communications	53,200	(7/86)
86.	United Video Management	52,816	(6/86)
87.	Communicon	52,801	(7/86)
88.	Wisconsin Cablevision and Radio Co.	50,083	(7/86)
89.	Chambers Cable Comm. Inc.	48,643	(4/86)
90.	State Cable TV	45,922	(3/86)
91.	Joseph Gans Cable TV	45,679	(6/86)
92.	Bresnan Communications Co.	44,426	(8/86)
93.	New England Cablevision	42,978	(5/86)
94.	Dowden Communications	42,865	(7/86)
95.	Donrey Cablevision	42,275	(8/86)
96.	Marsh Media	38,097	(7/86)
97.	North American Comm. Corp.	37,710	(6/86)
98.	Benchmark Communications Inc.	35,000	(8/86)
99.	Gateway Cablevision Corp.	34,694	(2/86)
100.	Enstar Communications	32,863	(8/86)

Subscriber counts are provided by MSOs and systems to International Thomson Communications Inc. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217. * Includes portion of Group W subscribers.

Top 100 systems

Rank	Location	Operator	Basic subs	
1.	San Diego, CA	Cox Cable	270,256	(8/86)
2.	Woodbury (Long Island), NY	Cablevision Co.	249,600	(8/86)
3.	Manhattan, NY	ATC	219,600	(12/85)
4.	San Antonio, TX	Rogers	199,359	(6/86)
5.	Houston, TX	Warner	193,522	(6/86)
6.	East Orange, NJ	Maclean Hunter	184,198	(6/86)
7.	Honolulu, HI	ATC	164,300	(12/85)
8.	Seattle/Snohomish, WA	Viacom	163,000	(9/86)
9.	Hartford/New Britain, CT	United Cable	153,570	(7/86)
10.	Cincinnati, OH	Warner	151,273	(6/86)
11.	Louisville/Jeff. Co., KY	Storer Communications	149,000	(9/86)
12.	Wayne, NJ	UA Cablesystems	147,617	(8/86)
13.	Phoenix, AZ	Times Mirror	144,328	(6/86)
14.	Tulsa, OK	United Cable	140,333	(6/86)
15.	Englewood, CO	United Cable	138,285	(8/86)
16.	Tidewater (Norfolk), VA	Cox Cable	135,076	(8/86)
17.	Cherry Hills, NJ	NYT	133,316	(5/86)
18.	Florida Division (Orlando/Ormond Beach)	ATC	128,100	(12/85)
19.	Seattle, WA	Group W	127,000	(5/86)
20.	Atlanta, GA	Prime Cable Corp.	125,319	(5/86)
21.	Jacksonville, FL	Continental	124,000	(6/86)
22.	Rochester, NY	ATC	123,500	(12/85)
23.	Baltimore County, MD	Comcast	121,981	(8/86)
24.	Erie County, NY	Prime Cable Corp.	119,002	(11/85)
25.	Manhattan, NY	Group W	115,000	(5/86)
26.	Kansas City, MO	ATC	114,600	(12/85)
27.	St. Louis Co., MO	Concom Cable	111,063	(1/86)
28.	San Jose, CA	Gill Industries	110,000	(5/86)
30.	Austin, TX	ATC	109,700	(12/85)
31.	Central Islip (Long Island), NY	Viacom	109,000	(9/86)
32.	Memphis, TN	ATC	106,900	(12/85)
33.	San Juan, PR	Harris Cable Corp.	104,199	(8/86)
34.	Toledo, OH	Buckeye Cablevision	103,982	(4/86)
35.	Los Angeles, CA	Falcon	103,869	(4/86)
36.	San Francisco, CA	Viacom	100,000	(9/86)
37.	Jefferson Parish/Kenner, LA	Cox Cable	97,788	(8/86)
38.	Fairfax, VA	Media General	97,420	(2/86)
39.	Warren, NJ	TKR	97,348	(9/86)
40.	Southeast Michigan	Comcast	96,250	(8/86)
41.	Wilmington, DE	Rollins Cableview	93,000	(6/86)
42.	San Diego, CA	ATC	92,200	(12/85)
43.	Grand Rapids, MI	UA Cablesystems	89,868	(8/86)
44.	Pompano, FL	American Cablesystems	88,440	(4/86)
45.	Richmond/Henrico, VA	Continental	85,000	(6/86)
46.	Pittsburgh, PA	Tele-Communications Inc.	84,517	(6/86)
47.	Dallas, TX	Heritage	84,442	(8/86)
48.	Dade-Broward, FL	Storer	84,000	(8/86)
49.	Wichita, KS	Multimedia Cablevision	83,729	(9/86)
50.	Jackson/Monroe, MS	ATC	82,500	(12/85)
51.	Indianapolis, IN	Indianapolis Cablevision Inc.	80,969	(5/86)
52.	Charlotte, NC	ATC	78,700	(12/85)
53.	Clearwater, FL	Vision Cable	78,600	(7/85)
54.	Puget Sound, WA	Viacom	78,000	(9/86)
55.	Raleigh, N.C.	ATC	77,600	(12/85)
56.	South Texas, TX	Heritage	76,654	(8/86)
57.	Baton Rouge, LA	Cablevision Co.	76,518	(12/85)
58.	Tacoma, WA	Cable TV of Puget Sound	76,132	(5/86)
59.	Boston, MA	Cablevision	76,000	(8/86)
60.	New Orleans, LA	Cox Cable	75,162	(8/86)
61.	Chicago, IL	Group W	75,000	(4/86)
62.	Flint, MI	Comcast Cable	74,933	(8/86)
63.	Greensboro, N.C.	ATC	74,100	(12/85)
64.	Santa Monica, CA	Group W	74,000	(5/86)
65.	South Bend, IN	Heritage	70,710	(8/86)
66.	Las Vegas, NV	Prime	70,091	(5/86)
67.	Cleveland Heights, OH	Viacom	70,000	(9/86)
68.	Allentown, PA	Service Elec.	70,000	(7/86)
69.	Fayetteville, NC	ATC	69,000	(9/86)
70.	Orange County, CA	Times Mirror	68,323	(6/86)
71.	Omaha, NE	Cox Cable	67,400	(8/86)
72.	Boston Complex (Medford), MA	Warner	67,245	(6/86)
73.	Akron, OH	Warner	66,501	(6/86)
74.	Nashville, TN	Viacom	66,426	(5/86)
75.	Ocean County, NJ	Adelphia	66,051	(6/86)
76.	Little Rock, AR	Storer	66,000	(8/86)
77.	Columbus, OH	Warner	64,679	(3/85)
78.	St. Petersburg, FL	Group W	64,478	(5/86)
79.	Syracuse (suburbs), NY	NewChannels Corp.	64,065	(9/86)
80.	Indianapolis, IN	ATC	64,000	(12/85)
81.	Buffalo, NY	Tele-Communications Inc.	63,898	(8/85)
82.	Des Moines, IA	Heritage	63,550	(8/86)
83.	Monterey, CA	Western Communications	63,429	(6/86)
84.	New Haven, CT	Storer	63,000	(8/86)
85.	Madison, WI	Tele-Communications Inc.	62,099	(5/86)
86.	El Paso, TX	Group W	62,000	(9/86)
87.	Oklahoma City, OK	Cox Cable	62,788	(8/86)
88.	Greater Bridgeport, CT	Cablevision Co.	61,620	(8/86)
89.	Santa Barbara, CA	Cox Cable	61,186	(8/86)
90.	Contra Costa Co., CA	Televents	61,000	(5/86)
91.	Sarasota, FL	Storer	61,000	(8/86)
92.	W. San Fernando Valley, CA	Valley Cable	60,866	(8/86)
93.	Lower Fairfield Co., CT	Cablevision Co.	60,650	(8/86)
94.	Winston-Salem, N.C.	Summit	60,481	(8/86)
95.	Mt. Prospect, IL	Cablenet	60,000	(3/85)
96.	Albany, GA	Storer	60,000	(8/86)
97.	Birmingham, AL	ATC	59,400	(12/84)
98.	Escondido, CA	Times Mirror	59,305	(6/86)
99.	Ft. Worth, TX	Sammons Communications	59,000	(7/85)
100.	Oakland County, MI	United Cable	59,000	(10/85)

10/28/86

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OCTOBER 27, 1986

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

AUSTRIAN LEAVING SHOWTIME • COCA COLA EYEING BASIC CABLE

DANFORTH ACTION MAY LIMIT TELCOS' CABLE PLAYS

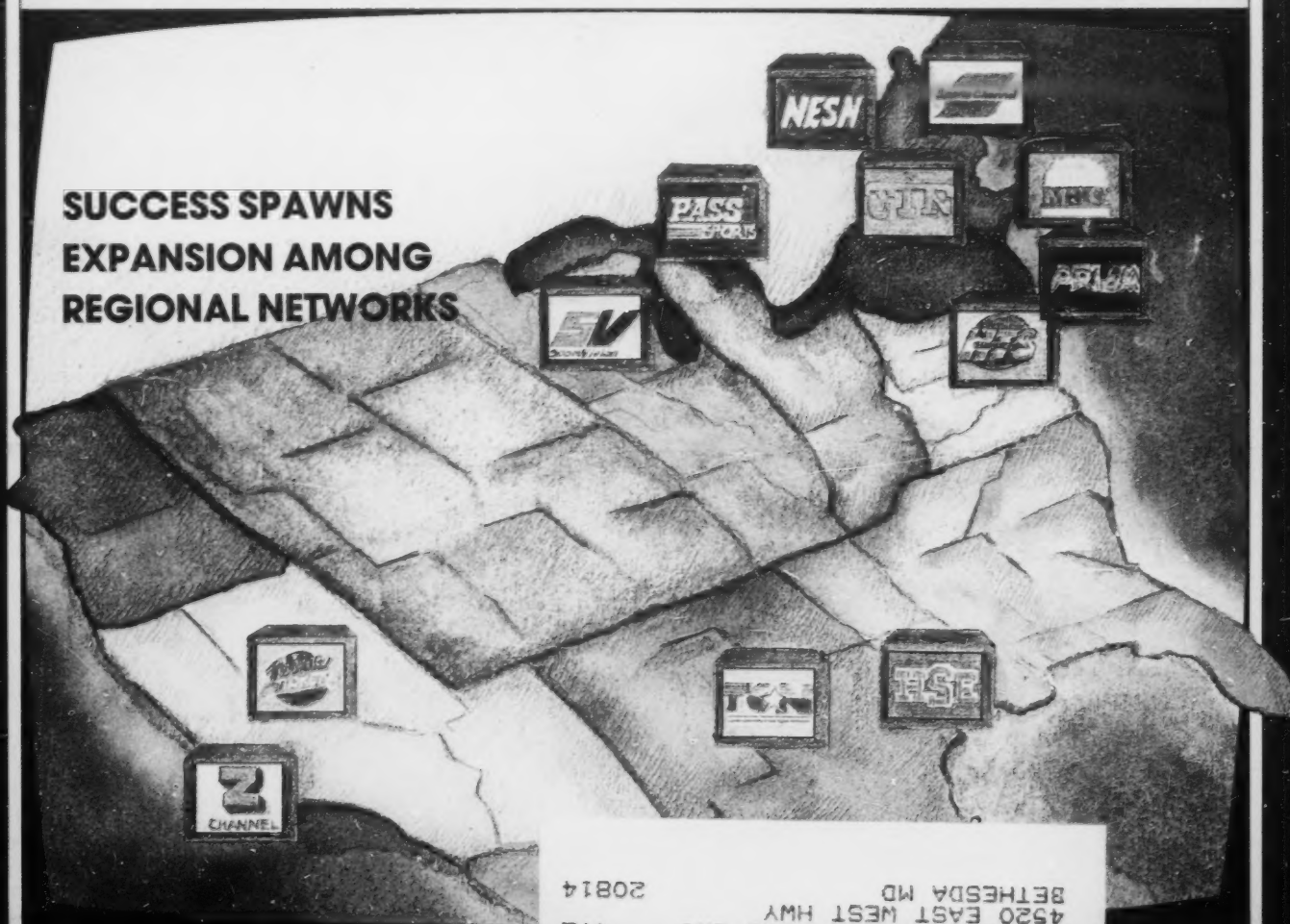
NFL INTEREST INTENSIFIES, BUT SO DOES CONFUSION

NCTA PREPARING INDUSTRY IMAGE CAMPAIGN

CABLE STOCK FLUCTUATIONS LEAVE ANALYSTS GUESSING

**THE PAYOFF IN REGIONAL COOPERATION:
ADVERTISING, MARKETING PUSH TAKING HOLD**

**SUCCESS SPAWNS
EXPANSION AMONG
REGIONAL NETWORKS**



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PROGRAMMING

Focus on Regionalism

Second channels, new programming in offing

Regional networks rapidly building on successes with new projects

By Simon Applebaum

A new era may be at hand for the cable industry's legion of regional programming services. Moving into profitability as well as the nation's last unwired urban bastions, the assortment of mostly sports-formatted ventures is spawning a number of activities that appear to represent the next stage in regionalism.

SportsChannel, owner of pay services covering four of the largest U.S. markets, will introduce a basic level supplement to its flagship New York outlet next winter. A similar enterprise is under consideration for SportsChannel's PRISM, the hybrid of mainstream movies and Philadelphia sports that celebrated its 10th anniversary last month, and the concept may be tried down the road at SC-operated channels serving Chicago and Boston.

Two other trends are developing; an interest by both operators and programmers in regional start-ups, absent since the demise of Sports Time and several other channels more than a year ago, and ambitious schedule refinements underway among the present group of players, made possible through increased subscriber bases, ad support and program exchanges.

All this ties in with a growing realization among MSOs that regionally transmitted services are crucial to their subscriber acquisition and marketing plans. "Because they're market-specific and cater to a broad audience, they provide good value," observes Jim Fellhauer, McCaw Communications' senior vice president of programming/marketing. "You also have a ready promotional weapon at a time when the industry wants to convince people that it provides exclusive fare, clearly differentiated from other media. After all, you can't get live sports events from the cassette store."

Subscriber counts for most regional services this month are way ahead of last October's figures. From the vantage point of network executives, the statistics will be better in the months ahead, thanks to a more enlightened operational attitude, as well as the knowledge that large potential audiences are yet to be connected within Baltimore, Detroit, Washington and other cities reached by the services.

"We're past the point where everyone displayed a heady, way-over optimistic feeling about how this business would shape up," reflects Tom Chesnut, vice president and general manager of SportsChannel/New York.

"When six networks premiered in the same month in 1984, people thought this was a business earmarked for instant success. That didn't come to pass. We've learned realities during the interim, that a lot of variables—programming, marketing, cost control—must work out over time in order to have a viable service. We're at that stage now, and within the next year or two, the services are going to increase their abilities and display more and better programming before subscribers."

Bill Aber, Chesnut's counterpart at Home Team Sports, believes the business has ended its shakeout stage and is primed for expansion. "Those networks people figured to collapse two years ago have; those that are still around don't look like they will," adds the head of the Baltimore/Washington area service under Group W Satellite Communications management. "We've all caught our second breath and defined our mission. The viewer buys us first for the local major league teams, and second for a potpourri of other events."

Professional league teams represent the core of most regional schedules. Few among the group function without carrying between 30 and 80 games of

Regional Network Growth

Service	Status	Primary Location	Start Date	Subscriber Count		
				October 1984 Systems/Subs	October 1985 Systems/Subs	October 1986 Systems/Subs
Home Sports Entertainment	pay	Dallas/Houston	1983	57/48,000	86/135,800	115/200,000
Home Team Sports	pay	Baltimore/Washington	1984	15/20,000	60/158,000	76/334,000
Madison Square Garden Network	basic	New York	1978	52/1,700,000	57/1,800,000	68/2,000,000
New England Sports Network	pay	Boston	1984	not available	72/53,279	141/155,251
Prime Ticket	basic	Los Angeles	1985	—	—	199/1,500,000
PRISM	pay	Philadelphia	1976	89/369,500	87/380,000	90/370,000
Pro-Am Sports System	pay	Detroit	1984	35/25,000	94/103,000	110/112,000
SportsChannel New England	pay	Boston	1981	47/55,000	68/95,000	111/228,900
SportsChannel New York	pay	New York	1979	39/370,000	52/425,000	66/562,000
SportsVision	basic	Chicago	1981	20/45,000	26/107,000	37/520,000
Z Channel	pay	Los Angeles	1974	23/96,730	21/95,000	20/93,575



Sports Channel/New York brings its 562,000 subs live New York Nets action.

at least one baseball, hockey and/or basketball franchise, mostly from home venues. Aber's channel kicks off a schedule of 36 Washington Bullets basketball and 35 Washington Capitals hockey matches this month, after wrapping up 90 regular-season Baltimore Orioles cablecasts. Should a team make the league playoffs, the network in question can present additional home games that are not scheduled for national cable or broadcast networks, under multi-year rights contracts arranged between the service and team owners. Experts note that it takes four or five years for a regional channel to attain profitability, because of high start-up expenditures tied to pro league rights.

Profitability nears

Although competition can stretch that time frame, regional pay outlets are about to make their first mark in the black ink column, despite the fact that they compete head-to-head in the same market with similar formats.

New England Sports Network, boasting a lineup of 90 Boston Red Sox baseball and 40 Boston Bruins games, launched its part-time pay creation two years ago. At the time, SportsChannel was converting what was a PRISM-modeled network for the area into a home for Boston Celtics and Hartford Whalers contests.

Industry experts thought both ventures would knock each other off in a battle for channel turf, much less game rights. But the majority of area operators decided to take matters into their own hands by offering the two channels together at \$12.95 to consumers, in addition to separate \$9.95 buys. Leaders of both channels agree that the strategy helped stabilize the market. However, Continental Cablevision Programming Vice President Rob Stengel attributes the surge to other factors—primarily the Red Sox and Celtics' field performance over the period. Led by Larry Bird, the Celtics recaptured the National Basketball Association championship this spring, while the Red Sox returned to the play-

offs this month after an 11-year dry spell.

"The customer value of these services directly relate to the clubs' fortunes," Stengel argues. "As services fill out their schedules with more programs, that may change. Both Boston services did a good marketing job, but don't kid yourself—the performances got them there."

But as SportsChannel/New England's Ron Ryan explains, the operators were on track before the teams were. In its first season, the channel encountered a 15 percent sub dropoff during the summer. Under the operator plan, the dropoff rate declined to 10 percent and went under 5 percent this summer.

"We didn't bring that about; the marketplace did," adds the network's general manager. "Because systems marketed us as a package covering all the bases, customers were encouraged to buy the two services for the long run."

"Obviously, we won't make the kind of profit we would have made if we were the only service in town," responds John Claiborne, NESN's vice president and general manager. "But we're both going to make it, and that depresses a lot of folks who believed that two similar channels operating in one vicinity wouldn't fly."

Although most Boston systems express satisfaction with the dual-pay result, several officials still pine for a merger between NESN and SportsChannel. Claiborne and Ryan declare that such a pact isn't in the cards, and that frustrates Ed Moller, operations vice president at Greater Media Cable. Company affiliates running both channels report that subscriber interest in NESN wanes after the basketball season, while SportsChannel support declines once the Red Sox finish play—leading to churn headaches in each instance. "Our findings show that subscribers don't shift allegiances from one channel to the other when seasons change," Moller says. "They come on to watch one sport on a service and then leave, figuring that it's not worth it to subscribe for a year when they turn it on for six months. If the channels could unite, we'd be pleased."

Contrary to Moller's wishes, both networks are putting together expanded schedules filled with local college events and competitions acquired from other regional outlets. SportsChannel/NE will distribute 20 indoor soccer games produced by its New York and Chicago sister services over the winter, together with live women's tennis, pro ski tour wrapups, college

PROGRAMMING

basketball and hockey from several conferences. College sports also dominate NESN's fall/winter lineup, augmented by pro wrestling, diving and syndicated productions.

Back in New York, SportsChannel is in the midst of a conversion involving its pro sports output and wraparound programs. By next spring, the network expects to increase the number of baseball games under its control from 100 to 200, through long-term arrangements signed with the New York Yankees/Mets four years ago. Sixty Mets and 40 Yankees games ran on SportsChannel this season; each team will bring its quota to 100 games barring contract modifications. However, some of those games will appear on the proposed basic channel as opposed to pay, Chesnut confirms. "Cable is better off by becoming the dominant center for home team games, and by creating a second channel, we're reinforcing a system's ability to offer exclusive product," he adds.

Staying pay for now is *NY Sports Nightly*, the network's new wrap-around effort. Highlights, news and features targeting local games and personalities, delivered in 15- and 30-minute doses, appear before and after each evening's main event. Prior to the format's premiere last month, sports-oriented regional networks generally opened and closed their schedules with horse racing recaps, call-in or interview shows. Network officials hope that the concept, patterned after ESPN's *SportsCenter*, can be transplanted on other services if it can generate a fair audience and sizeable ad support.

Sales market soft

Collectively, industry analysts see regional channels generating some \$10 million in ad revenues this year, despite a soft overall national sports sales market. They say that companies will be inclined to increase their spending through mid-1987, based on the subscriber count rises and additional fan interest generated by team performances in key markets, such as the Mets in New York and the Celtics in Boston. Each of the regional sports channels expects to finish 1986 with at least \$1 million in ad sales. Madison Square Garden Network, the basic regional granddaddy, predicts a sales year exceeding \$4 million. Advertising generally covers 10 percent to 15 percent of a regional network's total operating revenues. Some officials see a jump in the average to 20 percent next year.

Individual services allocate 15 to 25

minutes per event for ads, often tying contracts in with spots on other programs. National beer and car sponsors usually buy time on several regional services at once; MSG, the Houston/Dallas Home Sports Entertainment and SportsVision in Chicago all have Anheuser-Busch at the top of the client lists. Other frequent users include Stroh's, Ford, Goodyear, American Express and True Value Hardware Stores.

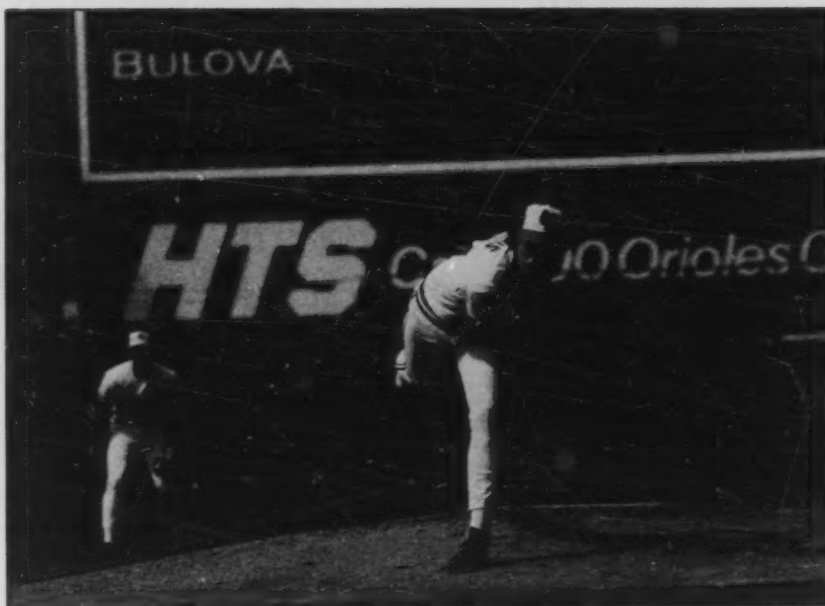
Despite possessing the largest subscriber universe of any regional service and access to one of the nation's best-known sports/entertainment complexes, MSG Network has encountered identity problems. Attempts to break away from an all-sports format using offbeat variety shows (*Jonathan Schwartz*) or classic off-network reruns (*The Untouchables*) failed to draw new audiences. With former ESPN executive Bob Gutkowski now at the helm, the service has started another campaign to win viewers, this time by sticking with sports-related programs. And not surprisingly, some of the shows take their cue from ESPN. Over the last few weeks, MSG revived *Sports Forum*, an issue-oriented roundtable running nationally several years ago, and premiered *High School SportsWeek*, a magazine series backed by Coca-Cola. ESPN's own high school event roundup, *Scholastic Sports Academy*, debuted two months ago. Both MSG productions are hosted by former ESPN *SportsCenter* anchorperson Greg Gumbel, who will supplement those duties with appearances on

certain pre-game shows.

There's more to MSG's upgraded look than just ESPN-modeled series. Wednesdays are filled by *Sports Night*, a three-hour interview/call-in coming from the Garden's Hall of Fame Club. The show is simulcast on WNBC-AM, New York. Garden officials originally scheduled *Sports Night* as a limited summer series, but have since given it an open-ended run. Another new element is *Prestone's Giants Journal*, a weekly football report sponsored by the antifreeze manufacturer.

Gutkowski calls MSG's moves a prototype of what all regional sports services should attempt in non-event fare. "They're not easy shows to do, but they are naturals that can help increase our ability to be unique," he says. "The challenge for every one of these services is to play upon strengths and attract new audiences. In our case, strength means regionalism, the Garden and events. We floated away from that in the recent past, but we've gotten our handle back."

Together with Home Team Sports, Home Sports Entertainment and other suppliers, MSG is an advocate of program exchanges among regionals in order to increase the supply of secondary events, thereby generating added sub interest. Over the last year, an informal consortium of services has pooled incremental funds and technical resources on behalf of specific event coverage, such as gymnastics competitions, college basketball tournaments and track meets. Through this unincorporated group, events are taped and



The Baltimore Orioles are featured on Home Team Sports.

syndicated around the country, with participants free to use them as they wish.

Some operators believe that if the consortium approach is exploited to the fullest, it could provide enough fare on a year-round basis to support the creation of regional networks in areas containing only one or two pro teams. McCaw is attempting to try that belief out, through negotiations with one programmer. Sources say the MSO wants to set up shop in Seattle, close to a large number of its franchises. A previous venture in that area operated by GWSC closed down nearly two years ago.

"For the operator and consumer alike, the consortium method represents a positive development," Continental's Stengel adds. "The mechanism provides regionals with an easy way to complement their lineups so that they don't depend on seasonality to attract viewers."

But consortium clout has its limitations when it comes to bringing National Football League games and other top events to regional sports networks. In the opinion of PRISM's Daniel Heller, with whom other regional leaders concur, it will take another five to seven years before such services achieve the critical mass necessary to go after the majors. And with ESPN, HBO, TBS and USA Network jockeying to lock up a portion of NFL rights for the next few years, the only league action regional cable can hope for down the immediate road is pre-season games. And even that's an outside bet at best, Heller charges.

"Two or three years is much too short a time frame to expect big events on these services," PRISM's vice president and general manager continues. "Cable will have to be a way of life, a given in all the metro markets, for that to happen. And it will, if we promote ourselves properly."

Strategy trials

Several programming strategies that may become standard procedure at most regional sports channels are undergoing field trials within individual markets. In Los Angeles, Prime Ticket Network is producing extensive coverage of such cult sports as polo, water polo and volleyball in hopes of distributing them via consortium syndication. Pro-Am Sports intends to cultivate interest in high school sports among its Detroit area audiences this winter by running selected football and basketball playoffs. SportsVision, the SportsChannel franchise based in

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Chicago, will take matters one step further this fall by running a high school football game-of-the-week live.

While part-time sports networks fix up their schedules with additional events at every level, PRISM and Z Channel plan on sticking by the respective 24-hour formats that have kept them around for more than a decade. In PRISM's case, the schedule encompasses 35 or 40 first-run movies a month, plus a moderate dose of sports led by Philadelphia Phillies baseball, Flyers hockey and 76'ers basketball. The network limits its pro contribution to 30 to 35 regular-season games per team, plus selected playoffs. Local college basketball, boxing and wrestling dot the fall and winter months, as does *Sports Scrapbook*, a feature series hosted by Jim Barniak. Advertising appears during sports events, and there are no plans to carry that over into movie periods. For that matter, there are no plans to overhaul the format beyond the insertion of an occasional offbeat event here and there,

such as volleyball or box lacrosse.

"If we ever changed our service, we'd better be damn sure we changed it to a better format that makes more money," Heller asserts.

At Z Channel, distinction comes from a movie schedule that serves up 16 to 21 different titles each week, mixing classy, lesser known fare with the blockbusters. Z's national reputation enticed Group W to acquire it from other investors and consider expansion beyond its Southern California universe, but that talk has died down, now that Group W is about to be divided among other MSOs. Channel officials suspect that Comcast and/or Century Communications will take over Z's management once Group W is dissolved.

Eclectic programming and the weekly change of titles are Z's strong points with subscribers, according to Program Director Jerry Harvey. "Since you don't show things from one week to the next, the whole duplication psychology that affects the national movie services is dramatically reduced

in the subscriber's mind," he says. Rare showings of classic TV dramas, such as the two-hour *Untouchables* pilot and early *Dragnet* episodes, have turned up on the channel's noncommercial schedule in recent months, as have presentations of *Up The Beach* (Humphrey Bogart's first movie) and *The Power And The Glory* (a Spencer Tracy opus that predated *Citizen Kane* by nearly a decade).

Z's subscriber universe continues around 93,000 homes, despite losing three key affiliates in the last two years. With some Los Angeles new-builds still to come, Harvey and General Manager Louise Henry see the service topping 100,000 subscribers within a year or two.

Harvey continues to hold a wish that Z might get a tryout somewhere beyond Southern California. "It was great to have Group W consider us that way. Still, I feel like a baseball player on the bench—you want to have the chance to take three pitches at the plate and hit one out of the park." ■

NOTES

■ **C-SPAN** has expanded its election coverage to fill more than 10 hours per week between now and Nov. 4. C-SPAN's election coverage will air in the following times: *Campaign '86*, Fridays from 10:30 p.m. to 12:30 a.m. (EDT) with a repeat on Sundays; *Live Viewer Call-Ins*, Thursdays from 8:30 to 9:30 p.m. (EDT); and, *U.S. Senate Candidate Debate*, weeknights from 8:30 to 9:30 p.m. with a repeat at 1 a.m.

■ **Perry King stars as Cody Allen**, Joe Penny stars as Nick Ryder and Thom Bray stars as Murray Bozinsky in *Riptide* in its debut on the USA Network, Mondays through Fridays from 7 to 8 p.m. (EDT). *Riptide* was originally shown on NBC-TV between 1983 and 1986.

■ **Viewer's Choice** has reached an agreement with Tri-Star Pictures for the exclusive national satellite pay-per-view exhibition of the 1986 film *Short Circuit*. The film stars Ally Sheedy and Steve Guttenberg in a comedy about Robot No. 5 who comes alive. Viewer's choice has recently signed a number of film contracts, including those with Orion Pictures Corp., The Cannon Group Inc. and Imagine Films Entertainment Inc.

■ **PTL** has added *Prophecy Digest* to its program line up. The show is hosted by Dr. David Lewis and will be aired every Wednesday at 3:30 p.m. The show will be produced by PTL at its Charlotte, N.C., facility.

■ **VH-1/Video Hits One** has added a new show, *The VH-1 Hit List*, which can be seen on Saturdays at noon. Each week the show will play the top five videos, introduce new videos and play a number one video from a featured music chart. The show also includes clips from current movies and

home videocassettes. The show can be seen again on Sundays at 9 p.m. and Mondays at 4 p.m. (EDT).

■ **Arts and Entertainment** is airing Mozart's comedy *Così fan tutte*, starring Ashley Putnam on Dec. 11 at 8 p.m. The story was directed by Jonathan Miller and stars Putnam, Jean



Kicking off cable month

Ralph Baruch, above, chairman of the National Academy of Cable Programming, opened a press conference held by the academy recently to announce the marketing, promotion and programming networks for National Cable Month in April. The press conference was held at the Hotel Intercontinental in New York. Photo by Candace Drake.

Cable services subscriber count

Satellite-fed national services

Basic services	Affiliates	Subscribers
ACTS Satellite Network	225	4,000,000
Alternate View Network	206	2,500,000
American Music & Entertainment Network	26	500,000
Arts & Entertainment (A&E)	2,200	19,700,000
Black Entertainment Television (BET)	590	14,000,000
Cable News Network (CNN)	9,386	33,100,000
Cable Value Network	20	200,000
C-SPAN	2,250	25,250,000
C-SPAN II	264	7,500,000
CBN Cable Network	7,260	32,338,000
CNN	9,561	33,501,000
Consumer Discount Network	NA	NA
Country Music Television	425	6,200,000
The Discovery Channel	932	9,500,000
ESPN	3,878	36,900,000
Eternal Word Television Network (EWTN)	314	4,800,000
Financial News Network (FNN)	1,360	22,300,000
Headline News	3,157	18,039,000
Hit Video USA	41	1,700,000
Home Shopping Network	324	8,000,000
Innovations In Living (HSN2)	15	2,000,000
International Television Network	5	622,000
The Learning Channel	775	7,000,000
Liberty Broadcasting Network	90	1,300,000
Lifetime	2,987	25,800,000
Music Television (MTV)	4,269	30,700,000
The Nashville Network	3,770	26,600,000
National Jewish Television (NJTV)	247	5,569,000
Nickelodeon	4,501	29,000,000
PTL The Inspirational Network	1,300	13,000,000
Pratco	NA	NA
Rock Christian Network	9	886,000
Silent Network	206	6,800,000
SIN Television Network	383	33,673,300
TelShop	640	10,000,000
Tempo Television	640	12,000,000
Trinity Broadcasting Network	444	6,304,000
USA Network	6,500	33,000,000
Video Hits One	1,189	14,100,000
Video Shopping Mall	NA	NA
The Weather Channel	2,200	22,000,000
WGN-TV	8,325	20,900,000
WOR-TV	1,877	8,430,680
WPIX-TV	227	2,400,000
WTBS-TV	10,790	36,078,000

Pay services

American Movie Classics	270	1,000,000
Bravo	251	350,000
Cinemax	3,300	3,700,000
The Disney Channel	2,958	2,550,000
GalaVision	234	183,000
Home Box Office (HBO)	6,900	14,600,000
Home Theater Network (HTN)	350	300,000
The Movie Channel	3,250	3,250,000
The Nostalgia Channel	175	700,000
The Playboy Channel	580	732,000
Private Ticket	4	NA
Showtime	3,200	5,400,000

Audio services

Cable Radio Network	21	1,300,000
JazzAmerica	N/A	N/A
KKGO Super Jazz	11	98,521
Lifestyle	147	2,600,368
Lifestyle AC	15	679,936
Moody Bible Institute	66	890,968
Satellite Radio Network	251	740,000
StudioLine	NA	NA
Tempo Sound	300	1,000,000
WFMT Chicago	162	1,287,000

Text services

AP News Cable	275	3,600,000
AP News Plus	60	1,500,000
Cable SportsTracker	22	1,951,000
DBC/MarketWatch	50	NA
Electronic Program Guide (EPG)	275	5,496,000
EPG Jr.	61	60,743
Genesis Cable Storytime	26	1,033,000
Reuters News View	325	3,250,000
TV Decisions	120	3,420,000
UPI Data Cable	450	4,000,000
X*Press	60	1,000

Non-satellite-fed national services

Bicycled services	Affiliates	Subscribers
Cable Auto Showcase	5	400,000
Fuji Network	5	11,044
Nippon Golden Network	5	11,044
Vector Consumer News	12	325,000
Vector Consumer Shopping Guide	15	407,000

Regional entertainment services

Basic services	Affiliates	Subscribers
Atlanta Interfaith	7	150,000
Bay Area Religious Channel (BARC)	4	113,000
Buffalo Sabres Hockey	9	400,000
Cable TV Network of New Jersey	37	1,185,000
The Ecumenical Channel	7	148,000
KTVT	109	1,804,000
Life Newsvision	24	36,000
Madison Square Garden	68	2,000,000
Meadows Racing Network	14	446,000
MetroChannel	1	118,000
Prime Ticket	199	1,500,000
SportsVision (Chicago)	37	520,000
Texas Cable Network	15	646,000

Pay services

Dodgervision	44	935,000
Home Sports Entertainment—Houston/Dallas	115	200,000
Home Team Sports	76	334,000
New England Sports Network	141	155,251
PRISM-Philadelphia	90	370,000
Pro-Am Sports	110	112,000
SportsChannel (New England)	110	228,900
SportsChannel (New York)	66	562,000
Z Channel	20	93,575

Announced services

Satellite-fed services

America's Shopping Channel	4th Quarter 1986
American Catalog Shopper's Network	1st Quarter 1987
American Family Network	11/86
American Shopping Channel (Consolidated/ASC)	10/86
American Wholesale Network	10/86
Apollo Entertainment Television	TBA
The Book Channel	TBA
Cable Shopper's Network (Jewelcor)	4th Quarter 1986
Cable Shopping Center (Telstar)	1/87
Comedy Television	4th Quarter 1986
Crazy Eddie World Of Home Entertainment Shopping Network	11/86
Discovery Computer Network	1987
Discovery Financial Network	1987
El Canal Musical	TBA
Ethnic Radio Networks	4th Quarter 1986
EventTelevision	1st Quarter 1987
International Business Network	4th Quarter 1986
Let's Go Shopping Network	4th Quarter 1986
Magicable	TBA
Movie Time	1/87
PreView Channel	1st Quarter 1987
The Preview Network (Cable Promotion Network)	12/86
QVC Network	1/87
Shop-At-Home Channel	10/86
Sky Merchant	1/87
TWA Travel Channel	1st Quarter 1987
Tunnelvision	4/87
World Travel Network	1st Quarter 1987

Expected Launch

Note: Figures for affiliate and subscriber counts will be updated quarterly unless information is provided by the service. Send information to: CableVision, Attention Cable Stats, P.O. Box 5208-T.A., Denver, CO 80217.
NA denotes not available.
TBA denotes to be announced.

† Total SIN reach. Spanish-speaking households 4,114,400.

Source: Subscriber and affiliate counts are provided by the program service for International Thomson Communications Inc.

CABLE STATS

Brokerage Chart

A survey of brokerage activity in the cable industry during the third quarter of 1986.*

Communities Served	Seller	Buyer	Broker	Basic Subscribers	Homes Passed
Hardin, Calloway County, Marshall County, Ky.	Bluegrass Cablevision Inc.	C-4 Media Corp.	Charles Greene Assocs.	2,800	5,075
LaGrange, Giddings, Weimer, Schulenburg, Hallettsville, Texas	Central Texas Cable TV Inc.	Insight Communications	Clifton Gardiner & Assocs.	5,800	8,100
Morecroft, Upton, New Castle, Warren AFB, Wyo.	Cablevision Services Inc.	Tele-Communications Inc.	Clifton Gardiner & Assocs.	2,704	4,434
Dighton, Ness City, Jetmore, Kan.	Progressive Comm.	Midway Cable TV	Clifton Gardiner & Assocs.	1,699	1,975
Howland, West Enfield, Medway, Maine	Dowcom Inc.	Cooney Cable Assocs.	Clifton Gardiner & Assocs.	758	1,081
Holden, Mo.	Holden Cable Co.	Falcon Cable TV	Clifton Gardiner & Assocs.	297	900
Granfield, Grinnel, Palco, Kan.	Rural Cable Inc.	Midway Cable TV	Clifton Gardiner & Assocs.	271	468
Oakfield, Smyrna, Merril, Dyre Brook, Maine	DBTV Inc.	Cooney Cable Assocs.	Clifton Gardiner & Assocs.	280	438
Bazine, Kan.	Bazine Cable	Midway	Clifton Gardiner & Assocs.	133	210
Las Vegas, N. Las Vegas, Henderson, Boulder City, Clark County, Nev.	Times Mirror CF of Nevada	Herman M. Greenspun G.C.A. Associates Ltd. Partnership	Communications Equity Assocs.	62,000	218,000
Aldan, Yeadon, Clifton Hts., E. Lansdowne, Lansdowne, Millbourne, Upper Darby, Glenholden, Collingdale, Cotwyn, Darby, Darby Twp., Folcroft, Media, Norwood, Prospect Park, Ridley Twp., Ridley Park & Sharon Hill, Pa.	Times Mirror Cable TV of Delaware City Inc.	Community TCI of Ohio Inc. and T.V. Power of North County, Ohio	Communications Equity Assocs.	73,000	130,000
Inglewood, Pomona, Calif.	TCI Growth Inc.	American Cablesystems Corp.	Communications Equity Assocs.	10,200	56,500
Revere, Milford, Mass.	Various shareholders of Colonial Cablevision	George E. Drffy	Communications Equity Assocs.	15,710	27,000
Carson, Calif.	Carson Cable Television Co.	American Cablesystems Corp.	Communications Equity Assocs.	5,800	19,000
Hammond, Amite, La.	Jones Group	McDonald Group	Communications Equity Assocs.	11,400	16,425
Bandera, Charlotte, Cotulla, Encinal, Garden Ridge, LaCoste, Lake Hills, Leon Springs, Poteet, Primrose, Stockdale, Texas	Meridith Corp.	Karnack Corp.	Communications Equity Assocs.	3,880	8,116
Little Rock AFB, Cabot, Austin, Ward, Lonoke County, Ark.	Cable Arkansas, Satellite Systems Corp.	Buford, T.V.	Communications Equity Assocs.	3,389	6,595
Certain Portions of Oldsmar, Fla., East Lake Woodlands Condominiums	East Lake Woodlands Ltd.	Vision Cable	Communications Equity Assocs.	2,020	N/A
Liberty, Dunnville, Hustonsville, Moreland, Ky.	Casey County Cablevision	Cumberland Valley Cable TV Co.	Communications Equity Assocs.	1,570	2,500
Collingwood, Loretto, Iron City, St. Joseph, Westpoint, Tenn.	Tennessee Valley Video Inc.	The Essex Companies	Communications Equity Assocs.	1,325	1,825
Packwood, Lewis County, Wash.	Klickitat Cable Inc.	Summit Communications Inc.	Communications Equity Assocs.	450	1,008
Portions of Horry County, S.C.	Little River Cablevision	Par Cable Inc.	Communications Equity Assocs.	250	550
Ratcliff, Caulksville, Carbon City, Scranton, Ark.	Altstatt Cable	Bradford Comm. Inc.	Communication Resources Unlimited	380	900

Communities Served	Seller	Buyer	Broker	Basic Subscribers	Homes Passed
Marshfield, Strafford, Forsyth, Mo.	Ozark Summit Cable Inc.	C 4 Media Corp.	Communication Resources Unlimited	1,435	3,570
Buffalo, N.Y.	Prime Cable	Adelphia Comm.	Daniels & Assocs.	126,000	188,000
Kitsap and Mason Counties, Wash.	Olympic TV Cable	Rock Olympic Inc.	Daniels & Assocs.	13,600	22,900
Central Okla.	Cablevision Systems Inc. (Joe Bain)	CSI	Daniels & Assocs.	4,802	7,025
Richmond, Mich.	Citation Cable Systems Ltd.	Harron Comm.	Daniels & Assocs.	1,100	2,000
Grampian, Callensburg, Eau Claire, Boyers, Pa.	Country Cable Ltd.	Cable Systems USA	Daniels & Assocs.	790	1,138
Berthoud, Colo.	Skyline Cable	Leonard Comm.	Daniels & Assocs.	260	1,000
Silt and Talbot Farms, Colo.	Metro Cable Corp.	Cable USA Inc.	Daniels & Assocs.	411	814
Albany, Bethany, Cameron Carrollton, Excelsior Springs, Henrietta, Marceline, Norborne, Richmond, Salisbury, Mo.; Baldwin City, Edgerton, Wellsville, Kan.; Cullen, Spring Hill, Vivian, La.	WW Comm. Inc.	C 4 Media Corp.	Hardesty, Puckett, Queen & Co.	12,600	21,900
Lexington, Fayette, Glasgo, Brunswick, Wellington, Armstrong, Mo.	Fayette Cablevision Inc.	Cable-Video Enterprises Inc.	Hardesty, Puckett, Queen & Co.	2,400	3,500
Butler, Archie, Appleton City, Lowry City, Osceola, Mo.	Butler Cablevision Inc., Indesat Inc.	C 4 Media Corp.	Hardesty, Puckett, Queen & Co.	2,200	3,000
Chicago Area	Par Cable	Dorn Comm.	Hardesty, Puckett, Queen & Co.	500	2,551
Rosedale, Shaw, Miss.	Fowler Master Antenna Systems	Horizon Cablevision of Mississippi	Hardesty, Puckett, Queen & Co.	765	1,640
North Bend, Neb.	North Bend Cable TV	Scope Cable Television of Nebraska	Hardesty, Puckett, Queen & Co.	227	411
Suburbs of Tacoma, Wash.	Cable TV of Puget Sound	Viacom	Henry Ansbacher	76,000	150,000
Beaverton, Aloha, Banks, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, North Plains, Reedville, Rivergrove, Sherwood, Tigard, Tualatin, Wilsonville, Washington County, Clackamas County, Wash.	Storer Metro Communications Co.	Tidel Comm. Inc.	Pat Thompson	36,000	68,000
Bonanza, Malin, Merrill, Chiloquin, Ore.; Tulelake, Dorris, Willow Creek, Happy Camp, Cedarville, Fall River Mills, Herlong, Calipatria, Calif.; Belt, Chester, Dutton, Sun Prairie, Vaughn, Mont.; Beaver, Parowan, Panguitch, Utah	Orcal Cable Inc.	Mountain Side Cable Inc.	Pat Thompson	4,900	8,000
Clintonville, Embarrass, Marion, Tigerton, Black Creek, Shiocton, Wis.	Wolf River & Tioga Cablevision of Wis.	Milestone Communications Inc.	Pat Thompson	1,300	3,475
Emmetsburg, Iowa	Emmetsburg Cable TV	Vantage Cable Inc.	Pat Thompson	1,600	1,800
Union Center, Wonewac, LaValle, Wis.	Degner Electronic CATV	HLM Cable Corp.	Pat Thompson	550	625
Northern portions of Alabama, Georgia, Mississippi	The MultiVision Group	James Communications Corp.	Waller Capital Corp.	39,000	51,000
Chapel Hill, Carrboro, Pittsboro, N.C.	Village Cable Inc.	Prime Cable Corp.	Waller Capital Corp.	9,200	18,000
Gaffney, Union, S.C.	Piedmont Cablevision Inc.	Three Sixty Corp.	Waller Capital Corp.	6,300	14,300
Richlands, Va.	Richlands Cablevision Inc.	Bachow & Elkin Inc.	Waller Capital Corp.	9,800	12,500
Great Bend, Larned, Hoisington, La Crosse, Kan. Statesboro, Ga.	Karlen Communications Inc. Cablevision Inc. Statesboro CATV Inc.	Multimedia Northland Communications	Waller Capital Corp.	9,000	12,000
			Waller Capital Corp.	5,400	7,800

* This chart will appear quarterly. Listings are provided by brokerages; some are partial. Information on transactions closed within a given quarter should be forwarded to CableVision Magazine, Attn: CableStats, P.O. Box 5208-T.A., Denver, CO 80217, within 10 days following the close of each quarter.